

## Britain under fire at summit over fishing ban

It came under attack for its ban on North Sea fishing when the meeting of EEC of government came to an end in London today. A hint of resort to more protectionist policies brought another sour note to the EC, but Mr Callaghan radiated optimism and predicted that Britain was about to enter a period promising a high rate of economic growth.

## EC talks conclude on a sour note

Mr Callaghan's summit meeting of the European Council concluded yesterday with a distinctly sour note. Britain came under attack for its decision to impose a unilateral ban on North Sea fishing, which was seen as a hardening of attitudes towards the EEC, and a hint of more protectionist policies. Mr Callaghan, however, radiated optimism and predicted that Britain was about to enter a period promising a high rate of economic growth.

## Callaghan forecast of new economic era

Mr Callaghan's forecast of a new economic era was met with a mixture of scepticism and optimism. He predicted that Britain was about to enter a period promising a high rate of economic growth, but some observers felt that the forecast was overly optimistic.

## Carter cancels B1 bomber production

President Carter has decided to cancel the B1 bomber. He told a press conference this morning that development of other strategic weapons, notably the Trident submarine and missile and the Cruise missile, meant that a manned strategic bomber was no longer needed. The decision will be a blow to the USAF's supporters in Congress, not to mention Rockwell International, the California company which is building the bomber. The President said that he expected Congress to support him—but there will certainly be an attempt there to force him to change his mind.

The B1 is a supersonic swing-wing bomber with a range sufficient to fly intercontinental missions and to return. Its speed and capacity are secret, but they are believed to be very great. President Ford supported a B1 development programme but he was unable to commit the Government to buying the full fleet of 244 aircraft which the Air Force wanted. They would have cost over \$100m (about £30m) each.

Mr Carter approved the building of five of them, and has now decided to end the programme. Those five bombers will not now be built. The three B1s, research and development pre-production models, in existence and a fourth is said by Rockwell to be 40 per cent completed.



Quiet thoughts at Henley yesterday, untroubled by male dominance (report, page 13).

## Beaverbrook accepts £14m bid from Trafalgar House

A £12.7m cash bid for Beaverbrook Newspapers from Trafalgar House was last night agreed unanimously by the Beaverbrook board. The offer, which has also been accepted by the trustees of the Beaverbrook Foundation, who control four-fifths of the voting shares, will, if successful, result in Mr Victor Matthews, Trafalgar's managing director, becoming chairman and chief executive of the newspaper group. It is understood that Trafalgar has given undertakings to maintain Beaverbrook's three titles, the Daily Express, Sunday Express and Evening Standard. Mr Matthews said immediately after the deal had been clinched that he hoped Beaverbrook's existing top management would stay with him. Existing agreements with the unions would be honoured. It is understood that under the agreement Sir Max Aitken, the present chairman, will become life president.



Mr Victor Matthews: "We will keep all three newspapers alive."

## Court of inquiry into the Grunwick dispute is set up, but the atmosphere at plant remains tense

Mr George Ward, Grunwick's managing director, had been unable to persuade him and his advisers to agree in advance to abide by a mediator's recommendations. Later, when Mr Booth was urged to say what would happen if Mr Ward ignored the inquiry's recommendations, he said that for people to refuse to cooperate with bodies established under the law showed contempt for the law. The rule of law was to be respected as much when it depended on consent as when it was supported by sanctions. He also told MPs that the Post Office had decided to take no further action against postmen today, to allow all concerned to consider the implications of the inquiry. Mr Ward does not seem to have said that he will necessarily accept the recommendations of the court of inquiry and the strike organisers have said nothing about ending the mass picketing. Indeed, the Secretary of State agreed at one point that there was no legal obligation on Mr Ward to accept anything, and Mr John Goss, Conservative MP for Barnet and Hendon, North, who has been advising Mr Ward, said it would be difficult for the company to cooperate with the inquiry if it was under undue duress.

## Action against sorters deferred

The Post Office last night deferred until Monday its threatened suspension of 148 sorting workers at Cricklewood, north-west London, despite their continued refusal to handle mail for Grunwick. It said its decision was made in the light of the proposals of the Secretary of State for Employment to set up a court of inquiry. Later it said that its policy over the blacking of Grunwick mail at Cricklewood was unchanged. If normal working was not resumed by 12.30 pm on Monday, the instruction to staff to handle the mail would be "reactivated". Only 250 people were posted outside the Grunwick works in Willesden yesterday morning. Mr John Goss, Conservative MP for Barnet and Hendon, North, charged with using insulting words and behaviour and assault on police, was remanded on bail of £25.

## Government approves pit productivity deal

The Government has decided to let through a productivity deal for the miners that could mean a rise of up to £20 a week from the autumn for faceworkers. Negotiations between the National Coal Board and the National Union of Mineworkers on an incentive scheme that will link wages to output are at an advanced stage, and Mr Healey, Chancellor of the Exchequer, has said industrialists privately that the agreement will have to be permitted if the social contract is to survive. The Chancellor's after-dinner confession to managers on the issue confirms the TUC's determination to provide for a limited return to free collective bargaining from August 1, giving priority to productivity deals and improvement in occupational pensions, which is regarded as "nudging through" a scheme for early retirement. The pit productivity scheme being discussed by the miners and the Board would give incentive payments to faceworkers and men developing new seams when they achieve more than three quarters of a performance standard set by jointly agreed work study. Workers elsewhere underground and on the surface would receive a lower proportion of the incentive money. Whether that will be based on a pit or area calculation has not yet been settled. The rudiments of the scheme are similar to the proposed agreement rejected in a 63-37 per cent vote in a pithead ballot in 1974, and to the extent that they have not changed the proposals will once again be opposed by left-wing coalfield leaders.

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## men jailed London bing plot

Five IRA men were jailed today by a Criminal Court for conspiracy to cause explosions in London. Mr Justice Croom-Johnson sentenced them to life terms, with the recommendation that they should serve at least 30 years. As well as being found guilty of conspiracy, Mr Donnelly was also found guilty of murder.

## ld acquittals

A property company was acquitted by a jury at Chelmsford Crown Court of conspiring to defraud Holford Farm deal. Mr Leigh, 41, seemed to him to be a proper professional and brought trouble on the company in the circumstances it was at public funds should be paid.

## ing in Lebanon

Lebanon is a fierce civil war and it is a major battle would develop. The fighting took place in the north, where Israeli forces have been resting the leftists.

## Borg and Connors meet in final

Bjorn Borg of Sweden, and Jimmy Connors of the United States, will contest the final of the men's singles at Wimbledon on Saturday. Borg won a superb match yesterday against the American, Vitas Gerulaitis, 6-4, 3-6, 6-3, 3-6, 8-6 and Connors beat out the 18-year-old qualifier, John McEnroe, in four sets also of the United States. Page 12

## AD 2000 prospects

Warnings of atomic war and the exhaustion of natural resources were made at a discussion organized by Unesco on "Challenge of the Year 2000". Speakers said the jungle was vanishing and the seas becoming the dustbin of mankind. The answer lay in the rational use of human and material resources. Page 9

## Petrol price code

From August 12 garages will be compelled by law to display petrol prices more clearly. They can show the lowest net prices for at least two grades, one of which must be four-star, and the higher price and the amount of reduction being offered. Page 6

## Air price war fear

The Civil Aviation Authority is to lift controls on minimum fares for North Atlantic charter flights from next spring. A price war is expected. Page 5

## Japan takes harder line on sanctions

Japan is introducing new regulations to prevent Rhodesia selling its chrome ore, by way of South Africa, to circumvent United Nations sanctions. The move has been brought about by the Carter Administration which has insisted on making sure that steel imports into the United States from Japan do not contain chrome from Rhodesia. Page 9

## Aid for Mozambique

The United Nations Security Council has appealed unanimously to all states to give aid to Mozambique to strengthen its defences after repeated attacks from Rhodesia. Several Western members said the aid should be economic assistance to maintain development projects affected by diversion of funds to defence.

Substitute tobacco: The leading tobacco companies are racing this morning to be first in the shops with their new cigarettes containing substitute tobacco. Page 2

Agricultural Property: Three-page Special Report on land legislation, planning pressures, and investment potential. Page 1

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## Somalis jail British girl for a year

Mogadishu, June 30—A British woman and two co-defendants were today sentenced to one year's imprisonment each for illegal entry into Somalia, and a Dutch man was given a two-year term. All four were acquitted at their trial here on a charge of espionage, for lack of evidence.

All were fined on the illegal entry charge, which was brought after their yacht, Julia II ran aground near Hafun in northern Somalia.

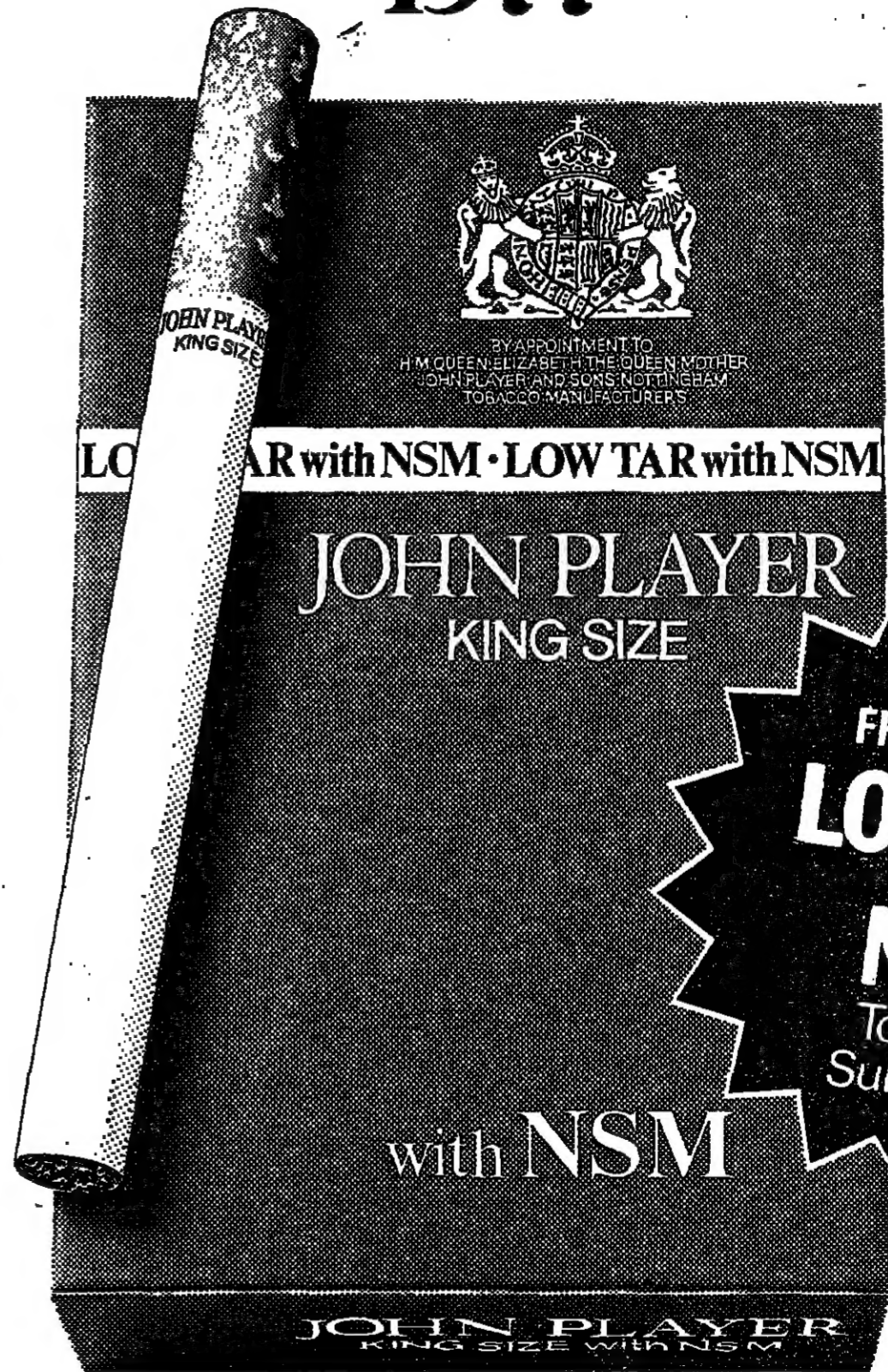
Miss George de Neef, aged 30, the Dutch skipper of the yacht, was fined £2,000 shillings (£1,100) by the court, in addition to his two-year prison sentence.



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HOME NEWS

18th-century cabinets on new legs for £10,500

By Geraldine Norman  
Isle Room Correspondent

A pair of late-George III mahogany cabinets, each inset with 42 glass panels painted with views of Italy, were the star pieces of Christie's furniture sale yesterday, selling for £10,500 (estimate £8,000 to £10,000).

They provide a fascinating example of how pieces of furniture change over the years. For the cabinets had been to Christie's before; they were sold from the Spencer-Churchill family home, Northwick Park, 1964, when Christie's got £7,500 for them.

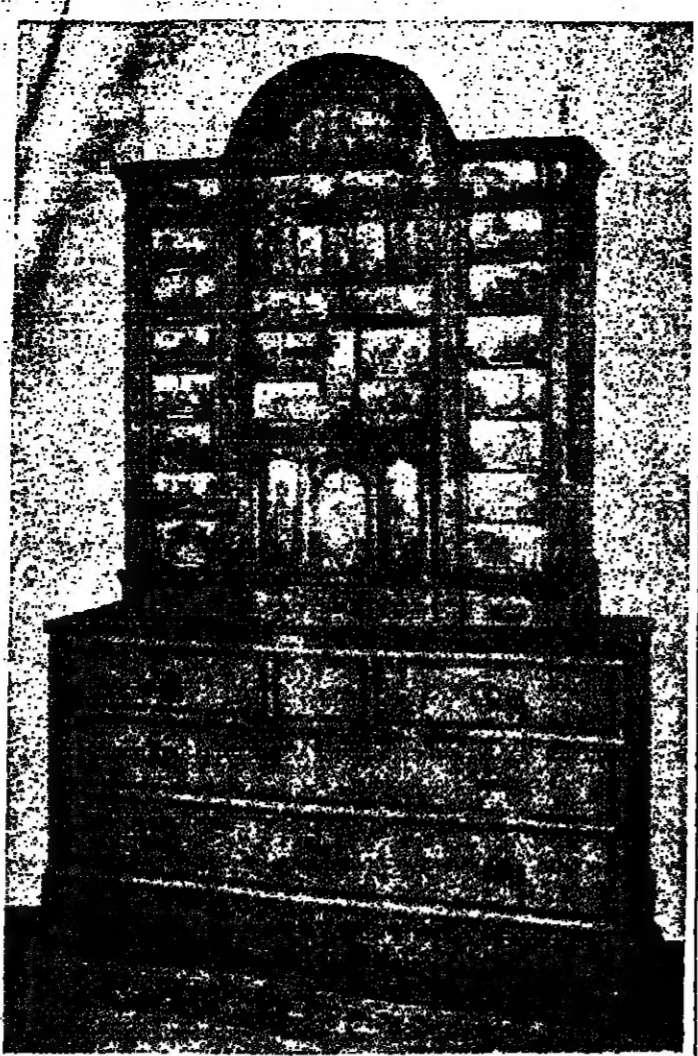
Each was then mounted on black glass of drawers, but now they stand on square tapering legs with black feet. It is not clear when the change was made. The new legs are well made and any dealer with a good restorer could have had it done.

To my eye, the new arrangement is more satisfactory. The traction of the cabinets lies in the Italian views, which have been used to create a most handsome memento of the mid-18th century.

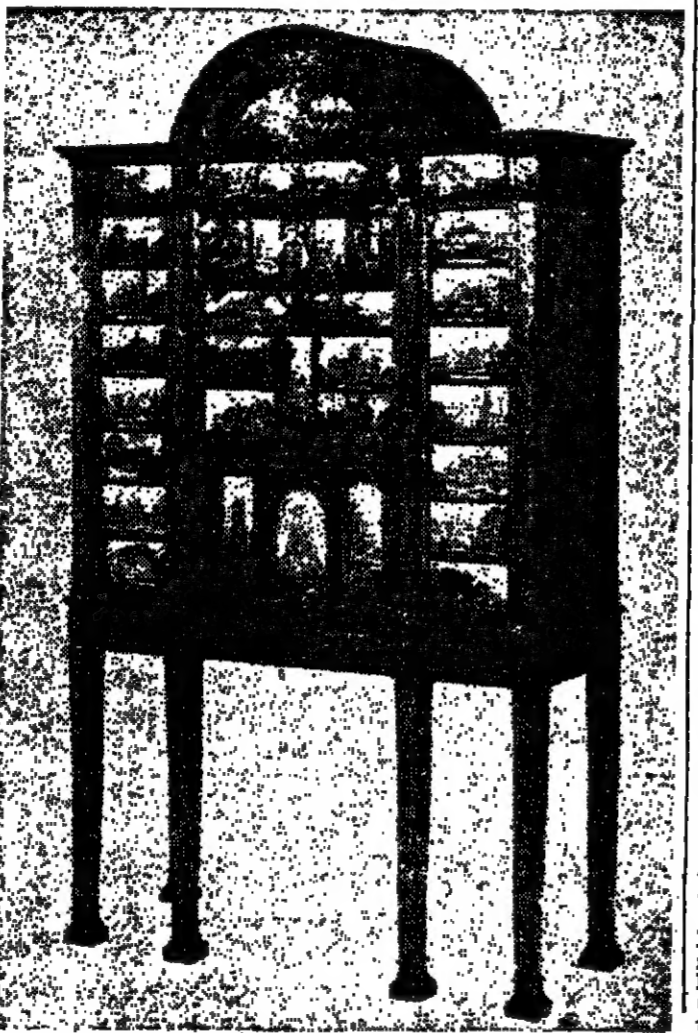
The sale of English furniture was strong bidding, totalling £10,480, with 11 per cent sold. Mallett paid £9,000 for a pair of George III mahogany chairs. A pair of mid-18th-century mahogany side chairs made £8,300 (estimate £6,000 to £10,000). A carpet, which followed, made £3,500, with 27 per cent sold. Christie's also held a sale of ivory carvings, totalling £6,233, with 22 per cent sold; the main difficulty was with a group of German expressionist works consigned in very high reserves.

Picasso prints were proving much easier to sell, with a "Four Women of 1958," "Buste Femme d'après Cézanne" at £2,000 (estimate £18,000 to £30,000) and another "Buste of 62," "Nature morte sous la lampe" at £14,000 (estimate £10,000 to £20,000). The latter was bought by a French collector who also acquired many of the less important works.

At Christie's South Kensington a sale of photographs brought two new auction records. The £2,500 (estimate £500 to £2,000) for Julia Margaret Cameron's portrait of Sir John Herschel was a record for the photographer. "Seascape" photographed Gustave le Gray in 1856 sold £3,400, an auction record for a French photograph. The £54,725 for a painting by At Sotheby's a sale of contemporary paintings made £3,390, with 58 per cent sold. A Japanese buyer paid new auction record prices for a Faurel in £22,000 for a painting of 1963 titled "Végétation".



One of a pair of cabinets, top, as it appeared in the sale room in 1964, and, below, as it appeared yesterday.



Stonehouse appeal on five charges rejected

An appeal by John Stonehouse, the former MP, against five of the 14 charges for which he is now serving a seven-year prison sentence, was dismissed to the House of Lords yesterday.

The five charges related to attempts to obtain for his wife, Barbara, a total of £125,000 from five insurance companies by deception, his false drowning in the sea off Miami, United States, in November, 1974.

The House rejected his contention that those offences were not triable in England because the deception occurred abroad.

Lord Diplock and Lord Dilhorne also rejected Mr Stonehouse's contention that Mr Justice Eveleigh, the trial judge, had been wrong to direct the jury that the false drowning was close enough to the full offence of obtaining the insurance money by deception to constitute an attempt to commit that offence.

Lord Salmon, Lord Edmund-Davies and Lord Keith thought the question should have been left to the jury, but they held that the judge's failure to do so had not resulted in any substantial miscarriage of justice to Mr Stonehouse, and that his convictions should therefore stand.

Even if Mr Stonehouse's appeal had succeeded it would not have affected his prison sentence or his criminal bankruptcy order, because of other convictions against which he did not appeal.

Lord Diplock and Lord Salmon said Mrs Stonehouse had not been a party to her husband's plan.

Head teachers' organizations to amalgamate

Two of Britain's head teachers' organizations are to merge to form the Secondary Heads Association. A joint statement yesterday said the 2,000 members of the Incorporated Association of Headmasters, formed in 1890, and the 800 members of the Association of Headmistresses, founded in 1974, have voted for amalgamation.

The new organization will come into being on January 1. Its first president will be Miss Mollie Black, Headmistress of Manchester High School for Girls, and the general secretary will be Mr John Dorrell, general secretary of the headmasters' association.

Police chief retires

Mr Frederick Drayton Porter, Britain's longest serving policeman, yesterday completed his last day as Chief Constable of Cambridgeshire. He is retiring at the age of 65.

Council makes workers on strike eligible for rebates

Isle District Council, at Port Talbot, South Wales, has decided to make workers who strike action eligible for rate rebates.

The decision was taken after 10-week strike by electricity workers closed the Port Talbot steelworks, laying off seven island men and costing the Isle Steel Corporation an estimated £60m.

The rebates will be backdated to the beginning of the strike for workers and men off who have already struck. Those who received security payments will qualify for council rebates.

Cyril Jenkins, chairman of the council's finance committee, said: "We shall follow the Government. We will not rebates scale laid down by the Government. We will rebates from both men and women laid off, and we shall draw up a policy to be drawn up. We are not subsidizing industrial action; just trying to alleviate hardship."

"We are not concerned whether a dispute is unofficial or official. We will pay the money if a tenant's or a ratepayer's family is suffering genuine hardship." He did not know how much the rebates would cost the council, or how many people would qualify.

The Welsh Office explained that the maximum rent rebate allowable for a council tenant was £6.50 a week.

Mr Iwan Kelsall, Welsh Secretary of the Confederation of British Industry, commented: "I am staggered that a council could take such a decision. We already do more to support strikers than any other country, but this is going to extremes. It is an open invitation to workers to take unofficial action since they will have nothing to lose. It is potentially a recipe for industrial anarchy in this country."

Price controls on Atlantic air charters to be dropped

By Arthur Reed  
Air Correspondent

There may be a price war in charter flight fares next year after a decision by the Civil Aviation Authority yesterday not to fix minimum prices for such services across the North Atlantic from April 1.

Some aviation industry leaders last night thought that the cost of advance booking charter (ABC) flights, for which two months' advance notice must be given, will rise next summer, but that at other periods of the year they may fall.

Regulations setting minimum prices will continue to be applied until April, but after that date airlines and tour operators will be able to charge what they like. A price war is likely to break out with the aviation authority watching closely to make sure that no airline puts its prices so low that its operating standards and financial future are threatened.

The CAA introduced minimum prices on North Atlantic ABC flights from April last year, "because it seemed appropriate at the time to introduce a measure of protection for United Kingdom air carriers." It was, in fact, worried about the many seats on American airlines flooding the market.

But at that time the CAA made it clear that it would retain price control only so long as it seemed necessary. It now considers that the sterling exchange rate has made British airlines more competitive, while making the American airlines' policy uneconomic.

British airlines' share of the North Atlantic charter market rose from 41 per cent in 1975 to 45 per cent last year.

Questions on Windscale storage ponds

Pease Wright, Editor, says:

The £800m nuclear plant at Windscale, Cumbria, to reprocess waste fuel from atomic power stations in Britain and elsewhere is set to be 10 times more active waste, and five more plutonium, from some of the material handled at the present plant, which reprocesses fuel from the first generation of Magnox reactors by the electricity generating boards.

Between thirty and forty more of the transuranic elements created in a nuclear reactor, such as neptunium and plutonium, will also be removed from the storage of highly radioactive waste.

Information was among the evidence presented to the public inquiry into the Windscale expansion plan by Mr B. F. Warner, deputy head of research development, Windscale, as the tribunal began the most technical part of its examination of engineering aspects. Mr Warner explained that the job of decontaminating the oxide fuel in the new plant was ten times more difficult than for the present Magnox process.

However, he maintained that enough experience had been gathered to ensure a safe operation, even allowing for the fact that important development work was proposed to improve understanding.

Mr Warner insisted that the scheme for a thermal oxide reprocessing plant (known as Thorp) was based on principles that were well understood. However, there were changes in technology in the new process, which were indicated when clarification of part of the evidence was sought by Sir Frederick Warner, FRS, one of the two technical assessors to the inquiry.

He focused attention on the phenomenon of radiolysis of water in the storage ponds where fuel elements are kept on receipt at Windscale. Radiation from elements in storage, where they may be kept from one to four years, breaks down water to yield hydrogen.

Evidence from British Nuclear Fuels for the scheme states: "No hazard would arise from the radiolysis of hydrogen released in this manner."

Mr Warner explained in more detail how hydrogen in the atmosphere above the storage pond would be diluted by air to produce a mixture below explosive limits.

Council to care for girl with suicide impulse

A mother yesterday lost her attempt to keep her daughter, who had a compulsion to kill herself, with her at home, or at least at a hospital within reach. Judge Best, at Exeter Crown Court, ruled that the daughter, aged 20, who remained nameless, should be put in the care of Devon County Council.

He said her compulsion for swallowing objects had put her in hospital "on a really frightening number of occasions" since 1970. There was no known cure and there was the likelihood she would become so weakened by attempts to kill herself that she would die fairly soon.

The case was heard in chambers but the decision given in open court. Judge Best granted the council's application on the ground that the woman had to be watched every moment and other patients at Dibley Mental Hospital, near Exeter, where she has been since earlier this year, would suffer.

Unions combine to stop school meals rise

Labour Reporter says:

Unions with a combined membership of more than three million workers launched a campaign yesterday to stop the Government's plan to increase school meals by 10p a day in September. A national petition is for a million signatures by the summer holidays.

Alan Fisher, whose National Union of Public Employees (Nupe) is the biggest among the 250,000 school staff, said: "If the Government goes ahead with this self-created increase in prices, that and the consequent unemployment, it will make it extremely difficult to get any kind of new agreement on pay policy."

The 10 unions heading the campaign make up the National Steering Committee Against Public Spending Cuts. The biggest, the white-collar National and Local Government Officers' Association (Nalgo), called the proposed increase a "body blow."

Mr William Rankin, deputy general secretary, said: "We expect a substantial fall in the take-up of school meals and we believe there will be cuts in staff as a result."

The campaign has the support of the Child Poverty Action Group, whose director, Mr Frank Field, said: "This is the first time since the war that organizations of importance have stood up and asked for the attack on the family to cease. The big losers in society in recent years have been children, whether from rich or poor families."



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## HOME NEWS

## 'Kangaroo courts' gibe at official hearings after prison rioting

From Peter Evans  
Home Affairs Correspondent  
Canterbury

If prisoners regard hearings by boards of visitors after riots as "kangaroo courts", they can hardly be blamed. Professor Terence Morris, Professor of Sociology at London University, said yesterday at the bicentennial conference, at Canterbury, of the Howard League for Penal Reform.

Prisoners were vulnerable to the collusion of witnesses against them, he said. They had no right to counsel. Their right to call witnesses in the defence was limited both by the board's discretion and by the fact that defence witnesses might think themselves vulnerable to reprisals.

"The identification of boards, or more commonly the chairman of boards, with the prison authorities in times of trouble stimulates to confidence in their objectivity", Professor Morris said. He described the way the parole system works as an affront to natural justice. The intervention of the executive to override a judicial act, in any but a totalitarian society, to be both rare and limited to the most special circumstances.

Although executive acts could rectify judicial error, executive justice was among the best loved weapons of tyrants. He continued: "The political

climate is more volatile than many believe, and it seems to me a brave man who can absolutely guarantee that a penal system embodying a substantial element of executive interference in the judicial process could not be manipulated to political advantage by a government of either extreme right or left."

Mr Louis Blom-Cooper, QC, chairman of the Howard League, said that local authorities should have a greater say in running prisons. He cited moves by the London Borough of Islington, which has Holloway and Pentonville prisons within its boundaries, as an indication of the wishes of some local authorities for greater involvement.

The Home Office could set up local committees in areas where there were penal institutions to perform some of the functions of prison administration. If the local authority had been able to inspect Hull prison, the scene of a riot, the build-up of tension there might have been mitigated.

The conference passed by a large majority a motion, proposed by Professor Benedict S. Alber, visiting Professor of Criminology at Boston College, United States, as a tribute to John Howard, that there should be a memorandum on prison building and more alternatives to imprisonment.

Leading article, page 19

## Garages to display new petrol price signs

By Peter Waymark  
Motoring Correspondent

A new law compelling the clearer display of petrol prices at filling stations will come into effect on August 12. The aim is to ensure that the price of a gallon can be seen at a glance by the motorist from the road.

Signs that say "12p off" some unspecified price will be forbidden, and garages displaying the regulations face a maximum fine of £400. But Mr Fraser, Minister of State for Prices and Consumer Protection, said yesterday that he expected few breaches.

The resort to law is a result of the failure of a voluntary agreement made in September between the Office of Fair Trading, the garage trade and the main oil companies. The prices department found that only half the garages were complying.

Garages will be required to display the lowest net prices for at least two grades of petrol, one of which must be unleaded. They will be free to show either the lowest price by itself, or with the higher price and the amount of reduction being offered.

They must also indicate on or near each petrol pump the highest price of every grade of petrol dispensed from that pump.

Woman in the news: In student terms the Communist is a moderate  
Expelled tearaway to lead 640,000 unionists

By Diana Geddes  
Education Correspondent

Miss Susan Shipman, aged 27, a member of the Communist Party of Great Britain, takes over today as the first woman president of the National Union of Students, which has 640,000 members. It is, as she admits, a far cry from her troubled youth, when she was "into purple hairs", playing truant, fighting with teachers and yet, despite all, holding her own at the top of the class.

In student politics, communists are moderates. Miss Shipman was elected president with the support of the Broad Left and the Conservative students, who wanted to keep out the extreme left. Ironically, notwithstanding her credentials as a former teenage tearaway, she is expected to prove one of the most moderate and realistic NUS leaders in recent years.

Born the youngest of three girls to second-generation Russian-Jewish parents, she was brought up in Batton, London. Her father, between spells of unemployment, owned a pie-and-meat shop, worked as a navvy, drove a taxi and ran a breakfast kiosk.

Her sisters left school at 14 and 15. One works as a secretary to a wine importing firm. The other "explores" fruit machines.

Miss Shipman was finally expelled from Southwell Manor School at the age of 15 after sprouting half the class away with her on a three-day "holiday". She was taken back, however, to do her A levels. After six months on a kibbutz in Israel, she attended St David's University College, Cambridge, Dyfed, a very small, totally non-academic place with very little student activity, where she took a first class honours in English.

She did not become seriously involved in NUS affairs until she went to Leeds University in 1972 to study for an MPhil in English literature. There, student politics and her new interest in women's rights took up most of her time and she never completed her course. Instead, in 1974 she took a one-year teacher-training course at the Institute of Education, London.

That year she was elected to the NUS executive as she says with the "token woman" by 1975, however, Miss Shipman had become the first female national secretary, with a salary of £3,000. Her salary as president will also be £3,000, with 14 hours and no perks.

Miss Shipman joined the Communist Party in 1969, feeling that it alone had the necessary strategic conception for socialism and genuine deep roots in



Miss Shipman: From "token woman" to president

the working class which none of the more popular left-wing parties had. Her politics would certainly aid her in her new job, she said. She was convinced that mass involvement in democratic organisations was the only way to defeat the forces of the ultra-right, and of the ultra-left.

Miss Shipman is especially determined to keep under control the ultra-left groupings within the union, which, she says, are "corrupt, destructive

and based on a feeling of despair that nothing can be changed". She wants to broaden the union's sphere of interest so as to involve the large number of students who are more interested in getting on with their work than in student welfare matters or in ideological issues.

This year the structure of academic institutions will be made a major new campaign target, Miss Shipman said. Students wanted to have more say in the educational goals of universities and colleges and in the content of examinations and courses. To that end the union would be pressing for greater student representation on all academic bodies, including local authority education committees.

The mass of students, she felt, are no longer in a fairly safe position where they do not really need to do more than "double with external realities". They were now confronted by crushing economic and employment problems. They were very concerned about their futures and angry that their talents and abilities might not be put to any significant use.

The idealism, Miss Shipman insists, is still there; but it is now to be directed in a more positive direction.

## Church unity talks 'have overlooked basic issue'

By Our Religious Affairs Correspondent

Talks between Roman Catholic and Anglican theologians to find a basis for church union have so far overlooked one of the basic controversies of the Reformation, the doctrine of grace, and "salvation by faith alone", according to a group of evangelical Anglicans. In a statement issued today the group asks whether "the Roman Catholic Church now agrees that justification is essentially God's free gift of acceptance, bestowed on sinners by grace alone".

It asks, if that is so, how it accords with the Roman Catholic Church's traditional belief in good works, merit, purgatory, indulgences, prayers for the dead, and the role of the sacraments and of church membership in salvation.

Leading signatories of the statement include Mr Gervase Duffield, a member of the General Synod of the Church of England; Dr J. I. Packer, associate principal of Trinity College, Bristol; and the Rev R. T. Beckwith, warden of Lister House, Oxford.

## Cinema certification urged for television films

All films shown on television should exhibit their cinema certification, the National Viewers' and Listeners' Association says in a report to the Home Secretary on the recommendations of the Annan committee on the future of broadcasting.

It also supports Annan's recommendation that the family viewing "watershed" should be moved from 9 pm to 10 pm and calls for the allocation of the fourth television channel to independent television.

The report is available from the association at Ardleigh, Colchester, Essex, at 50p, post free.

The Association of Directors and Producers which has members in the BBC and independent television, said yesterday it would be a disaster to give the fourth channel to independent television.

"To favour the network companies would run the risk of their main money-making interest, the existing independent channel."

The association recommends control of the channel by the Independent Broadcasting Corporation and says it should be financed through the levy on independent company profits.

## British Library cataloguing bits of ancient ephemera

By Kenneth Coaling

In one of the British Library's most ambitious cataloguing projects, a research team has been organized to record about 300,000 small books, pamphlets and single-sheet items from the eighteenth century. The library decided to compile the "short title catalogue" after a six-month pilot study. The project is expected to take three years.

The librarians describe their previous treatment of the eighteenth-century documents as "dump-heading": that is, as they arrived by the sackload, the single pages, leaflets and tiny early newspapers were stuck into large volumes, most of which have since remained untouched with their contents in minor condition.

Dr Robin Alston, director of

the project, said: "By the time we have finished bringing all this uncatalogued and largely unknown material to light, a number of aspects of life in the eighteenth century will have to be rewritten."

As far as we are concerned, the eighteenth century represents the largest gap in our catalogues. There is a very good record up to 1640 and the period of the civil wars, from 1641 to 1700, is fairly well documented. But the great terra incognita has always been the eighteenth century.

Some volumes contain as many as 900 individually cataloguable items. Other centuries are represented occasionally among the eighteenth-century documents; where there are no dates, the researchers must have a sharp eye for type-faces.

## Moderator calls on authors of new book to go

The Right Rev John Gray, Moderator of the General Assembly of the Church of Scotland, yesterday called on the authors of the controversial new book, *The Myth of God Incarnate*, to resign their appointments. He said the Anglican dons who contributed to the book lived in ivory towers.

"The fact that they used the word 'myth' is a measure of their divorce from the real world of faith and life," Mr Gray said.

Book review, page 18

## Girl's age gauged from her teeth

An Asian schoolgirl was placed under supervision for two years by Birmingham magistrates yesterday after they had been told that her mother arranged for her to marry a man of 26.

The juvenile court was told that the mother said she was 17. The police said a medical expert who examined her teeth on Wednesday gave her age as 14.

## Arson at YMCA alleged

Thomas Tyrell-Kenyon, aged 27, formerly living at the YMCA in Old Snow Hill, Birmingham, was committed on bail at Birmingham Magistrates' Court yesterday for trial, accused of arson.

A condition of bail, for which his father, Lord Kenyon, stood surety, was that he should live at a hospital at Denbigh, Clwyd.

## 21 hurt in train

Twenty-one people were injured yesterday when a passenger train from Benton, Northumberland, crashed into buffers at Newcastle upon Tyne Central Station. All but one were released after hospital treatment.

## Nun robbed

A nun collecting pensions for old people at a home at East Finchley, London, where she is the sister, was attacked and robbed of £540 yesterday.

## In brief

## Methodists give ministers a rise

Methodist ministers receive a 30 per cent pay increase in September, if government pay policy permits. New pay scales approved at a Methodist conference in H. yesterday would give earnings the midday £50 a week. The wide range would get £53. Delegates read a report said that most married Methodist ministers with families would be "seriously" supplemented, though it claimed it.

## Ex-warrant for trial

Leonard Barnard, a rural prison officer, of Acton, London, was committed for trial at the Central Criminal Court by Tottenham magistrates yesterday, charged with stealing more than £57,000 from 1 Prison Officers' Association Fund between 1970 and 1974.

## Bridge to be blown up

St Clair Bridge, between Dornham and East Glemsford, on the Sunk-Sass border, which once linked farmland, will be demolished with explosives tomorrow. Train's vices between Oxted, Lingfield and East Grinstead will be suspended tomorrow, and Sunday.

## The Irish Times

Mr Francis Pyle, who has been editor of *The Irish Times* since July, 1974, has resigned on his appointment as editor-director. Mr Douglas Gifford, who was editor of the paper from 1963 to 1974, took up the post again. He is 58.

## Wife held hostage

Leonard Tyler, aged 39, said to have held his wife hostage in a flat on the Rockingham Estate, Plumstead, London, for 31 hours, was placed on probation for a year by magistrates at Woolwich yesterday.

## 60 pupils suspended

Sixty girls boarding at St. Elizabeth's School, Darley Dale, Derbyshire, were suspended yesterday, and sent home a week before the end of term after a games mistress had been thrown into a swimming pool.

## Robbery plot charge

Stanley Robert Harris, aged 26, a builder, of Elliott Gardens, Romford, Essex, was remanded in custody until today at Liverpool Magistrates' Court yesterday, accused of conspiring with others to commit armed robberies in England and Scotland.

## Phone service for old

Age Concern will launch today in London a 24-hour telephone service to help elderly people make contact with local organisations and reduce loneliness. The number is 01-648 9494.

## Caxton Hall closure

Closure of Caxton Hall Register Office, the scene of many of London's society weddings, has been approved by Westminster City Council's general purposes committee to rationalize the registration service in the area.

## Men in the news: Beaverbrook heads Complementary flair and dynamism from Trafalgar

By Our Financial Staff

When he launched Trafalgar House Investments in 1963 as a public company, Mr Nigel Brookes, whose bid for Beaverbrook Newspapers has been accepted, was the archetypal young tycoon. A millionaire by then, he possessed all the stylish attitudes of the Chelsea set, but also an impressive business mind.

Trafalgar was brought to the market as a property company but Mr Brookes was already planning bigger things. Eight years later, when he proved that even bastions of British commercial enterprise like Cunard could be taken over and, indeed, made to run successfully, his business encompassed contracting, house-building, building materials and hotels.

Along the way Mr Brookes had taken over another important asset, Mr Victor Matthews, who became his right-hand man. The two are entirely different. Mr Brookes, aged 44, the son of a lawyer and educated at Stowe, has been described as "to the manner born".

Mr Matthews, aged 58, started in business with two Bristol building companies. By 1965 his construction business was sufficiently attractive for Mr Brookes to take it over. The partnership between Mr Matthews, the straight-talking Londoner, and Mr Brookes was formed.

Another important figure in Mr Brookes's career was the late Lord Crowther. When Mr Brookes, having seen none of an inheritance exhausted by ill-fated business ventures, decided to concentrate on learning the property business, Lord Crowther saw his potential and joined the board. More significant, it was Lord Crowther who introduced Mr Brookes to Commercial Union, the insurance company, equally impressed, gave him strong backing.

The introduction of Mr Matthews into the business seems to mark a rapid change of course. Mr Matthews, once an employee of Trollope and Colls, the "City's builder", persuaded Mr Brookes to buy Trollope, and there followed a significant expansion.

The building then was still that of a property man in 1970, with Commercial Union, Trafalgar, made an ill-fated



Mr Brookes: "To the manner born"

£154m bid for the company's largest property company, Metropolitan Estate and Property Corporation (MEPC). The successful bid was a year later saw Mr Matthews emerge as the new chairman of the company, one who enthusiastically supported a future for the flagship, the Q&A. But the Sunard bid was more significant than that. It showed that Mr Brookes and Mr Matthews were interested in acquiring and managing industrial companies.

Mr Matthews, who becomes chairman and chief executive of Beaverbrook, is clearly a man who likes a challenge. If Cunard is seen as a redoubt, Mr Brookes will see him get on with the job. Yet, despite their different approaches, the two men complement one another. Their offices in a Berkeley Street suite adjoin in one Mr Brookes' elegantly explained his philosophy of business, yet at the same time someone who clearly has a total grasp of detail; in the other Mr Matthews, busy but calm, occasionally breaking off to talk to someone about his consuming interest of horse racing.

Mr Matthews started high-level business late in life at the age of 40 and he gives the impression still of being slightly amazed at what has happened to him. But he is confident that any difficulty, even Beaverbrook, will respond to the right type of management.

# What every cigarette smoker should know about NSM.

## A new standard in tobacco substitutes.

NSM\* is a totally new concept in tobacco substitutes. NSM has been developed following an extensive research programme over many years, financed jointly by Imperial Tobacco and ICI. NSM is a wholly British development.

The objective in developing NSM has been to convert natural plant material into a form which might help to reduce the risks which medical authorities have associated with cigarette smoking.

A programme of laboratory research has been completed to the satisfaction of the Independent Scientific Committee on Smoking and Health which has agreed to the use of NSM in certain cigarette brands. □ The Hunter Committee, appointed by H.M. Government.

Research has shown that when NSM burns, it produces smoke which is different in both its nature and its effects from that produced by Virginia tobacco:

1. NSM produces less than one-third as much tar.
2. NSM produces not just less tar but tar which is about one-third as biologically active (when measured by a standard mouse skin painting technique).
3. NSM produces a less irritant smoke.

The extent to which these attributes of NSM are effective in a product made from a blend of NSM with Virginia tobacco will depend on the specification of the cigarette and the proportion of NSM and tobacco in the blend.

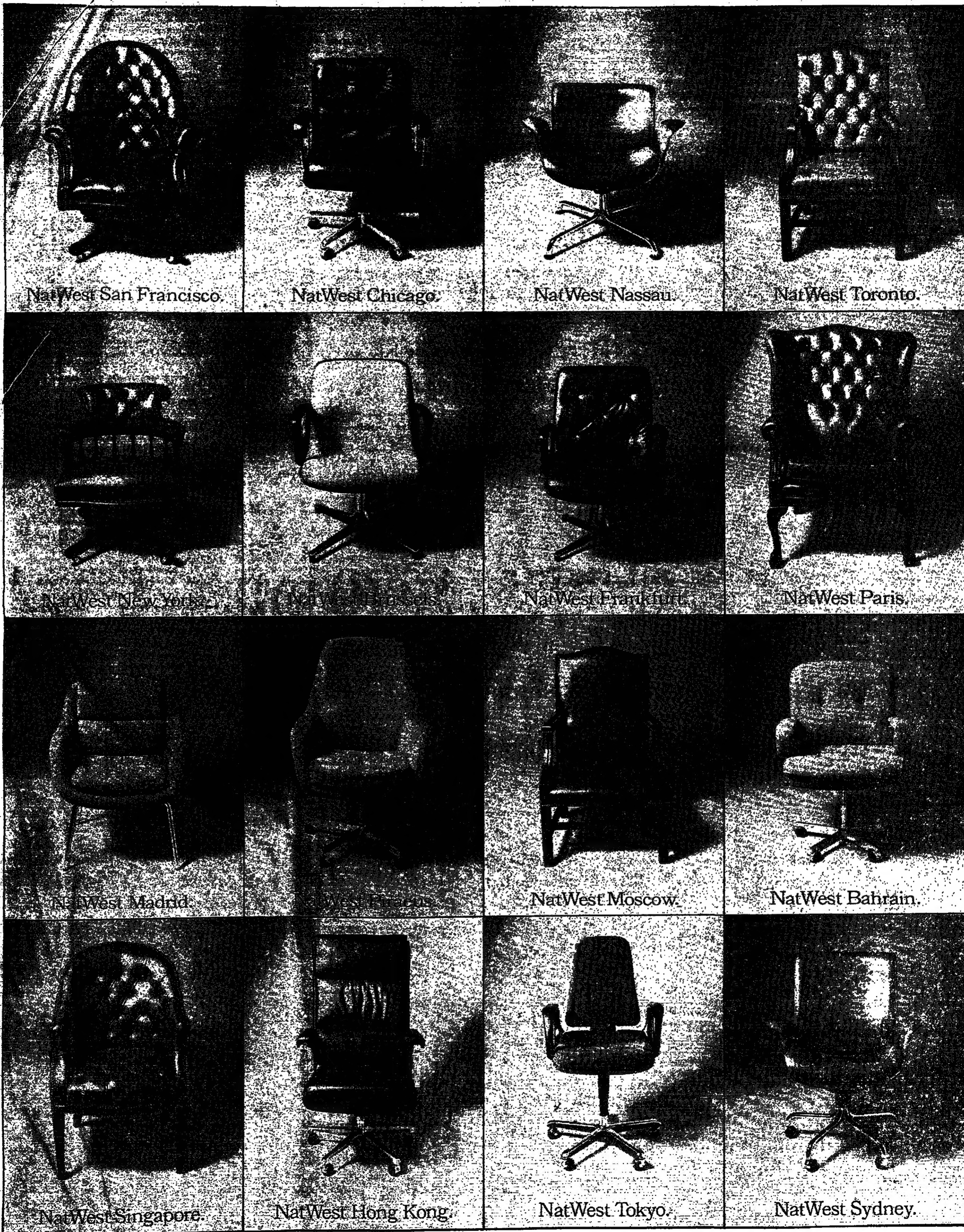
Cigarettes containing NSM tobacco substitute are available from today.




Issued by New Smoking Materials Limited

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# WEST EUROPE

## JET project hopes fade at end of EEC summit

By David Wood, Political Editor.

At the close yesterday of the last EEC summit conference under British presidency, Mr. Callaghan and Dr. Owen, the Foreign Secretary, were left facing the probability that hopes of developing the Joint European Torus (JET) energy project at Culham have virtually disappeared.

The only consolation is that if the other eight EEC members have a change of heart, Culham remains the leading candidate for the site.

That summarizes the ministerial judgement behind the scenes. In the Commons, when he reported on the summit, Mr. Callaghan put it differently, but with well judged caution.

The communiqué he presented contained no overt reference to JET. Under questioning, however, he said that the Government had been making a strong argument for a long time for agreement on Culham "and we have not yet got it".

He said that other areas were being looked at as good, and added: "We are wasting a lot of time on this, and I believe the danger this time is that scientists will go elsewhere if it is not settled, and I pointed that out." If Europe could not agree on the project, then no individual country could go ahead because of cost and technology, and he believed that Britain ought to try to obtain agreement from other countries if possible.

Mr. Callaghan said that he was not over-optimistic that other countries outside the Nine would want to come in on the energy undertaking. The United States already had its own research project.

The Prime Minister, as president of the Council of Ministers, has asked EEC foreign ministers to consider the JET project in July "with a view to reaching a final conclusion", and he asked the scientific team at Culham to wait for that.

Two other important issues



EEC leaders outside Lancaster House, London, yesterday at the end of their summit meeting. From left: M. Giscard d'Estaing, Dr. FitzGerald, Mr. Callaghan, Dr. Owen and Herr Schmidt.

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Two other important issues

were raised with the Prime Minister during questions: the creation of a Palestinian homeland, and direct elections to the European Parliament.

Mr. Hugh Fraser, Conservative MP for Stafford and Stone, and a member of a Scottish feudal family, complained that the summit decision to refer to the need for a Palestinian homeland introduced a disturbing and dangerous element into Middle East politics.

Mr. Callaghan answered that it amounted to no more than the piecing together of statements that had been separately made before, and the words carried no added significance.

In the diplomatic lobbies it became clear yesterday that Mr

Callaghan had led his colleagues into a discussion of the European Parliament to provide himself with an opportunity to make the point that he had kept his word to use his best endeavours to bring before Parliament the necessary Bill to introduce direct elections.

In the House he commented that Britain was as forward as other EEC members, and that would be indisputable if British parliamentary processes were not more protracted than every other country's.

The Commons communiqué, again, made no reference to the subject of direct elections, simply because it is a Westminster controversy left for a

two-day debate on Wednesday and Thursday next week. In fact, President Giscard d'Estaing, for France, and Mr. Thorn, for Luxembourg, took the initiative to counter any pressure there might be (and there is) for the siting of the European Parliament permanently in Brussels; and they soiced Mr. Callaghan by dismissing proposals that European MPs should be paid four or five times as much as Westminster MPs.

One question to Mr. Callaghan on direct elections was a portent for next week's debate. Mr. George Cunningham, Labour MP for Islington, South, and Finchbury, asked the Prime Minister whether the summit

had taken cognisance of the fact that under the Labour Government's proposed d'Hondt system for regional list elections, a candidate could be elected without receiving a single vote. (The explanation is that the votes are averaged throughout the party list.)

Mr. Callaghan admitted his innocence on the subject and undoubtedly saw parliamentary trouble ahead. But behind the scenes there is some good news. Among Conservative Euro-peans there is a new and strong current of feeling that a compromise is possible with the Government in the struggle between the d'Hondt and "first past the post" systems.

Parliamentary report, page 16

## Text of communiqué on growth and jobs

The following statement on growth, inflation and employment was issued by the EEC heads of government in London yesterday:

1. The European Council reviewed progress and on-going work on the range of problems which had been identified at its March meeting in Brussels, including both action within the Community itself and cooperation at wider international levels.

2. At its March meeting the European Council agreed to set action on specific labour market problems particularly for young people and women; to encourage high levels of investment in member states; and to halt divergence and promote convergence in their economic performance. The European Council noted that the Commission had taken within the Community on all these points.

3. The European Council welcomed the agreement reached on June 28 by the Council (Social Affairs) to improve the effective operation of the European Social Fund, and the Commission's proposal to use the fund for a scheme directed to the employment problems of women.

4. The Council attaches particular importance to the problem of structural unemployment among the young. It received a report from the Commission on the situation in the field of the labour market and has called on it to continue its work on the problem. The Council hopes that the Commission will be able to meet in early autumn to consider, in the light of this work and the results of national measures, what common action might be necessary.

5. The European Council noted with satisfaction the spirit of cooperation between the various institutions and the social partners which marked the work of the tripartite conference of June 27. The Council hopes that the joint Commission programme, announced at the end of the conference, may lead to a strengthening of this spirit of cooperation.

6. The European Council noted the responses of the Commission and the board of governors of the EIB to the invitation which it made to them on March 26, 1977 to suggest ways in which the Community might increase and intensify its activities to promote convergence, investment and employment in the Community.

7. The European Council invited the board of governors of the EIB to implement its proposals.

8. The European Council also invited the Council (Ministers of Finance and Economic Affairs) to examine as early as possible the Commission's communication on investment and borrowing in the Community.

9. The European Council affirmed the necessity for the member states to arrive at a common energy policy.

10. The European Council reaffirmed the importance of co-operative efforts by industrialized countries to seek a sustained expansion of world economic activity, consistent with further reduction of the rate of inflation and thereby to help reduce unemployment. The European Council expressed its determination that the Community and its member states should play their appropriate part in this worldwide cooperation.

11. In this connection the European Council noted the commitments made by some heads of government to the achievement of specified growth targets in 1977 and to the review of policies and programmes to seek a sustained expansion of world economic activity, consistent with further reduction of the rate of inflation and thereby to help reduce unemployment. The European Council expressed its determination that the Community and its member states should play their appropriate part in this worldwide cooperation.

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## Statement breaks little new ground

Continued from page 1

unsuccessful summit. Earlier yesterday, he had been pressed by trade union leaders for action in the Community to boost growth and combat unemployment.

Asked if Britain was among those countries judged to be in a position to relate now, Mr. Callaghan did not answer directly, but with an autumn budget in view, his answer seemed to be a strong hint in the affirmative.

The statement on growth, inflation and employment issued by the heads of government breaks little new ground, but after so much lobbying for positive action, Mr. Callaghan expressed himself satisfied with it. For a change, no one pressed the West German to relate at this meeting, a point noted with a certain pleasure by Herr Schmidt. West Germany, with the lowest interest rates in the Community, was already doing its bit, he implied.

The most interesting part of the economic statement refers to the effects on employment of the Community's liberal trade policy. Mr. Callaghan insisted that there would be no departure from this, but at the same time referred to certain sensitive areas such as footwear, textiles, shipbuilding, steel and electronics, which needed "looking at".

The most important point in the statement, the Prime Minister said, concerned increasing the capacity of the European Investment Bank. The aim here is to find ways of promoting convergence, investment and employment in the member states. On unemployment, all the European governments were narrowly focused to concentrate on employment for women and younger people. Everyone between the ages of 16 and 19 should either have a job or the chance of higher education.

## EEC summit notebook

### Herr Schmidt ends his visit with helicopter outing to Henry Moore

By Roger Barthoud

As if to prove that the human contact brought about by summit meetings is a civilizing influence, Herr Schmidt, the West German Chancellor, and his wife took a helicopter ride yesterday afternoon to visit Henry Moore at his studio near Much Hadham, Hertfordshire.

The sculptor had been to Bonn a few weeks ago to discuss the possibility of one of his works going in front of a new Chancellery building in the federal capital. No decision was taken, but Mr. Moore invited Herr Schmidt to visit him next time he was in England.

And so it was arranged. "It was an absolutely simple and charming occasion. They were both very pleasant," Mr. Moore said afterwards. He will be going back to Bonn before long, when an exhibition of his graphic work is planned at the Bibliothèque Nationale in Paris to a gallery in a disused railway station at Rolandseck.

Like Mr. Callaghan, Herr Schmidt is a firm believer in the value of regular meetings as a means of government. "The news value will, but for the participants they are extremely useful," he told West German correspondents before leaving London.

After an unfortunate start in May, when there were long delays on opening day over the accreditation of journalists for the economic summit, the new government press centre emerged very well from the four conferences of the past seven weeks.

There were some accusations of extravagance when the old Bath Club in Little St James's Street was specially refurbished and equipped with a large

switchboard, radio studios and closed-circuit television, at a total cost of £1,026,000. Mr. Schmidt was assuming the EEC presidency for the six months just ended.

A spokesman of the Property Services Agency, a branch of the Department of the Environment, said yesterday that the centre will be retained for government and departmental conferences. In the period since April, 1976, there had been 114 such conferences for which its facilities would have been suited (the old United Services Club in Pall Mall had, to be leased instead) and there would already 10 firm bookings from August to November, the spokesman said.

The building is a bit of a rabbit warren, and some of its rooms are on the small side for their purpose. But there are so many of them that journalists, because evenly dispersed, found it easy to find a room. Female journalists wearing green dresses were liable to be mistaken for the half-dozen girls in green from a conference agency who oiled the administrative wheels with great charm.

The French are not always very strong on public relations, and are even more blatant than the British in trying to manipulate their national press. But they showed some neat footwork at this meeting. A French version of the Nine's declaration on the Middle East was available a good hour before the English one, to the joy of deadline-pressed British journalists. The declaration was, of course, a French initiative.

On Wednesday evening British diplomatic correspond-

ents, visiting French-speaking journalists (mainly from Brussels), and British and French officials were invited to a buffet supper at the Foreign Press Association's premises in Carlton House Terrace by the new press counsellor of the French embassy, an imaginative move which the British should perhaps have emulated.

Mr. Callaghan has become perceptibly more relaxed in the past four years when taking press conferences, no longer tending to lurch from aggressiveness to heavy geniality.

He appeared to be on the defensive yesterday only when assuring a doubting very largely that Britain's handling of the EEC presidency had been a success and had not been affected by noises off from anti-Market forces. His powers of logic seemed to falter, however, on the subject of salaries for directly elected members of the European assembly (a range of £22,000 to £30,000 has been mooted). "I have my own views about the level of salaries of these gentlemen who have not been elected by anyone," he said.

Both Herr Schmidt and Mr. Tindemans, the Belgian Prime Minister, made the point that Mr. Callaghan had been an excellent president. But even Brussels anglophiles conceded that other British ministers of anti-EEC views have behaved with a blend of arrogance and spite on issues like the Common Agricultural Policy, fisheries and the Joint European Torus—which has proved counter-productive. Much valuable work by Mr. Callaghan and senior officials has thus been negated.

## Terrorists shoot two Fiat executives after night of violence in Italy

From Patricia Clough, Rome, June 30

Two Fiat executives were shot and injured today, one of them seriously, as Italy's various terrorist groups intensified their attacks on leading industries.

The shootings in Milan and Turin followed a night of violence.

Three railway wagonloads of electrical appliances were blown up overnight at a station at Zanussi factory near Pordenone, north-east Italy.

An understated plastic bomb was found by a night watchman in the headquarters of the industrialists' association in Bologna. Police said it failed to go off because of a defect and were treating the case as political.

A second bomb exploded at the entrance to a building on the city's outskirts, doing minor damage. Police were not sure that the two were linked.

Signor Franco Visci, who is in charge of the maintenance department at a Fiat factory in Turin, was in a serious condition in hospital today after being shot in the legs and abdomen outside his home this afternoon.

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to break up the various components of the "capitalist machine" with this form of intimidation.

The attacks were condemned by Fiat and by the Metalworkers' Union, which said that the strategy of terror simply furthers reactionary and authoritarian designs.

Meanwhile, in Florence a night watchman, Signor Remo Pietroni, was found shot dead on the outskirts of the city. Police have said he was killed by a group of terrorists who were disturbed as they were preparing to blow up a water pumping station.

Nine youths said to belong to extreme right-wing associations were being interrogated.

In Rome the flat of a right-winger and a shop and car belonging to two others were damaged by petrol bombs. Responsibility was later claimed by a "proletarian youth" organization.

## More want Britain to leave EEC

By a Staff Reporter

Almost half of the British people favour withdrawal from the EEC, according to a Gallup poll conducted for BBC television's Tonight programme.

A sample of 947 adults across Britain were asked: "If there were to be a referendum tomorrow on the question of whether or not Britain should withdraw from the Common Market (that is the European Community) would you personally vote for Britain's withdrawal or against Britain's withdrawal?"

The results, presented in last night's edition of the programme, were: 47 per cent for withdrawal, 38 per cent against and 15 per cent "don't know".

There was a different result among those in the sample who had voted in the EEC referendum: 43 per cent for withdrawal, 47 per cent against, and 10 per cent uncertain. In the referendum itself, 63 per cent of the same group had voted for the EEC, and 37 per cent against.

The overall referendum result in 1975 was 67.5 per cent in favour of staying in, and 32.5 per cent for getting out.

## Madrid warns OAU over Canaries inquiry plan

From Harry Debelius, Madrid, June 30

Spanish diplomats bristled here today over a report that the Organization of African Unity (OAU) might send an investigating team to the Canary Islands to establish if the islands were independent as an African nation.

Although there was no immediate official reaction, the Spanish Foreign Ministry immediately got in touch with all African Ambassadors in Madrid to make its position unmistakably clear: Spain under any government would consider such action by the OAU an interference in its internal affairs and that there is no question in Spanish minds about the territorial integrity of the Canaries and mainland Spain.

The political committee of the OAU, meeting in Libreville, Gabon, has recommended that a team be sent to the Spanish archipelago off the north-western coast of Africa, a recommendation which will presumably be considered at the five-day African summit meeting which begins tomorrow.

If the African heads of state reject the recommendation, the whole matter might be forgotten. If they vote in favour, however, Spain's reaction is expected to be harsh, informed sources said.

The Canaries Islands, whose residents, mostly of Spanish descent, seek a degree of autonomy but identify much more closely with continental Spain than with Africa, are troubled by the terrorist activities of the Algerian-backed movement for self-determination, and independence of the Canaries Islands.

The terrorists are spurred on by Señor Antonio Cubillo, a Spaniard, in a daily broadcast from the Algerian national radio studios in Algiers entitled "The voice of the free Canaries".

## Rubber-stamp legislature fades away in Spain

From Our Correspondent, Madrid, June 30

General Franco's rubber-stamp Parliament quietly faded out of existence here today, 34 years after its first session.

The twice-extended mandate of the general's last legislature expired at midnight.

The Cortes, based on the Franco regime's principle of "organic democracy" was a single-chamber Parliament.

The new Cortes includes a Congress of Deputies, or Lower House, with 350 elected members and a Senate with 207 elected members and 41 others appointed by the King.

Spain's first freely elected democratic Parliament will assemble next month.

## Lisbon plan to cut cost of helping refugees

Lisbon, June 30.—The refugees who are still arriving daily from Portugal's former African colonies will from tomorrow receive a resettlement grant instead of being housed at public expense, the Government has decided.

The Government statement added that in the past seven months 21,092 refugees had arrived of whom 9,661 had been lodged by the state. The annual cost of such assistance was about 700m escudos (more than £10m).

From tomorrow refugees in need will get a resettlement grant of from 15,000 to 40,000 escudos (between £230 and £630) according to their circumstances.—Reuter.

## £63m offered to users suffering effects of drug

From Our Correspondent, Geneva, June 30

Ciba-Geigy (Japan) Ltd and 19 other defendants have offered to pay £63m to people who suffered severe side-effects from the use of the anti-diarrhoeal drug marketed internationally as Enteroform, Mexaform and Emaform.

While these have been banned in Japan and several other countries, they are still widely used. The sum was proposed, with Japanese Government approval, as a settlement in the Tokyo District Court, which is dealing with the claim of several thousand Japanese afflicted by "sudden" illness, a disturbance of the neuromuscular system, after taking the drug.

## Swiss recommended to join the United Nations

Berne, June 30.—A Government report today recommended that Switzerland join the United Nations, but gave a warning that the majority of Swiss people remained opposed or indifferent to the idea.

Under the Swiss constitution a decision on joining the world body would have to be taken in a national referendum, but the report avoided proposing a date for this, saying only that

it should take place in the not too distant future.

It was the Government's third report on the issue since 1969. Although not a member of the United Nations, neutral Switzerland provides the site for its European offices in Geneva, and participates in its specialized agencies—such as the World Health Organization and the International Labour Organization.—Reuter.

## Herr Hess allowed TV

Berlin, June 30.—Rudolf Hess, Hitler's former deputy, is being allowed to watch television in Spandau prison for the first time, informed sources say. He has been in Spandau since 1946.

## Nato employees postpone strike

Brussels, June 30.—The 1,200 civilian employees at Nato headquarters here have voted to postpone a strike due to begin today, while comparisons of their pay-scale are made with other international organizations.

They are dissatisfied with salary increases offered them to compensate for the rise in prices. They maintained their notice of an impending strike, which would be their third this year.—Agence France-Presse.

## Amazon jungle invaded by land-hungry settlers

By Jonathan Kendall, Cacao, Brazil

Brazil's drive into its vast Amazon frontier has led to a feverish land rush drawing thousands of pioneers to the jungles.

The assault on the Amazon basin, covering more than half of the country, began in earnest under the right-wing military government in the early 1970s. Its ostensible purpose was to resettle a million impoverished peasants from the drought-stricken north-east into the fertile Amazon jungles.

That initial drive has sputtered and changed directions. The northern Amazon, which has largely proved too unfruitful for intensive agriculture. Many of the north-eastern peasants—diseased and without technical aid or financial backing—have abandoned the jungle adventure and straggled back home.

Huge development enterprises have since then begun extensive cattle ranches.

But here in the south-western Amazon, in what has proved to be more fertile terrain in the territory of Rondonia, a spectacular land rush has been under way for the past four years, and seems to be reaching its climax.

The pioneers of Rondonia are the sharecroppers and Brazilians—blond descendants of German immigrants, mulattoes, and blacks and Portuguese Indians mixed-bloods who have been left jobless by a rapid mechanization of farming in Brazil's booming southern agricultural zones.

Lured by stories of cheap land distributed by the Government, the pioneers arrive daily by the dusty or muddy highway, or by the river, to find a rickety loggia and even horse-drawn wagons. Many are victims of land frauds. Some become squatters, invading larger, established ranches or even parcels owned by pioneers who arrived earlier.

Others storm Indian lands, scattering or murdering the inhabitants. A few years ago the Melhoranza brothers, land speculators from a neighbouring state, sold fraudulent land titles to pioneers for the entire reservation of the Surui Indian tribe—an expanse covering about three million acres before the Army intervened last year, the 1,000 or so Surui population had been reduced by white men's diseases and killings to fewer than 200 survivors. The pioneers were allowed to keep the Indian lands.

The vortex of the south-western Amazon land rush is Cacao, a town that sprang up from the uninhabited jungle only four years ago and exploded to its present size of 12,000 people with a proper 25,000 people living on parcels of land on the outskirts.

Horseback riders and mule-drawn carts mingle with lorries and cars. Almost every body has a gun at home.

Despite the violence, disease and hardships, Cacao is the promised land for many of the pioneers, particularly those who arrived in time to acquire legal land deeds.—New York Times News Service.

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## OVERSEAS

# OAU unity hampered by land disputes between its members

from Nicholas Ashford  
breville, June 30

The Organization of African Unity faces three potentially serious territorial disputes between member states and a rift recognising only one of the Sudanese nationalist movements.

Two of the three disputes between members flared up during the closing hours of the meeting of the Council of Ministers and are to be referred to the conference on heads of state which begins on Saturday. The first was a claim by Libya that Somali troops have invaded the north-eastern part of its territory; the second, an allegation by Chad that Libya is occupying a slice of Saharan desert that belongs to Chad. The third dispute, concerning eastern Sahara, involves Algeria, Mauritania and Morocco.

The first one was raised by Mr Mbaye Waly, the Kenyan Foreign Minister, this afternoon. He said two groups of small soldiers had passed through north-eastern Kenya a weekend near the border with Somalia, where the Somali and Ethiopian soldiers meet. He said some 1,000 Somalis had been involved and that six Kenyans and six Somalis had been killed in an exchange of fire.

Mr Waly said the Somali army was "very serious" but Somali spokesmen denied that there had been a clash involving Somali troops. Somalia "has not attacked and will not attack Kenya," he said.

Although a Kenyan spokesman insisted that the Somali army had Kenya as its objective, it seems more likely that it was on its way to the northern Ethiopian province of Amhara, where the Western Somali Liberation Front is engaged in a guerrilla war against the Ethiopians.

The Chad-Libya dispute was raised by Mr Kamougue Abdelkader, the Chad Foreign Minister. He said there had been rocket and mortar attacks from northern and eastern Chad on Chad rebels in the region and that Libya was trying to "undermine our policy of national reconciliation".

Mr Abdelkader said Libya was occupying a strip of territory in northern Chad around the town of Aozou and that it needed to form a separate state in the Borkou, Ennedi and Tibesti regions, stretching from Algeria to Niger. The allegations were denied by the Libyan representative who said Chad was trying to find a scapegoat for its own internal troubles.

The third dispute, Western Sahara, is the most complex and potentially the most difficult to resolve. A liberation

movement, the Polisario Front, has transformed itself into a government-in-exile, and has been fighting an increasingly successful campaign, with Algerian backing, against Morocco and Mauritania.

The question of Western Sahara was first raised at last year's OAU summit in Mauritania, which decided to hold an extraordinary summit to discuss the matter. This summit was due to have been held before the present meeting, but there is still no sign of when it will take place.

Morocco walked out of the Mauritania meeting and withdrew from the organization altogether when a Polisario delegation attended an OAU Council of Ministers meeting in Lomé in February.

Morocco agreed to attend the present meeting only after a special appeal by President Omar Bongo of Gabon, who maintains close relations with King Hassan. It is understood that Morocco did so on condition that the whole question of Western Sahara was not raised.

It seems likely, therefore, that this issue will again be referred to an extraordinary summit, despite the extraordinary efforts to have it discussed now.

Two of the three Rhodesian nationalist movements attending the Council of Ministers meeting have been exchanging more shots in the battle for OAU recognition. Bishop Abel Muzorewa, leader of the African National Council, held a press conference this morning to say his supporters were as much engaged in the guerrilla war as the Patriotic Front.

He accused the front-line states (excluding Botswana) of creating a "counter-revolutionary element in our struggle by discriminating against his organization and its supporters."

He also alleged that his supporters were being forced to join the rival forces against their will and that those who refused were being victimized, tortured and detained.

This was rejected by Mr George Sibundika, a Patriotic Front spokesman.

The question of recognition will be discussed by the heads of state during the next few days but it now seems most unlikely that they will give exclusive backing to the Patriotic Front.

Sudan crossing: The Norwegian Foreign Ministry says its consul in Addis Ababa reported that Sudanese troops had crossed into Ethiopia and occupied the town of Beica, about 300 miles west of Addis Ababa. The consul received his information from Norwegian missionaries in the occupied town.—A.P.

# Japan acts to block sanctions loopholes

from Peter Hazelhurst  
Tokyo, June 30

Japan, the world's biggest producer of steel and a suspected violator of sanctions on Rhodesia, will introduce new stringent measures next month to prevent Rhodesia from shipping illegal consignments of chrome ore to Japanese ports under false South African certificates of origin.

The new regulations, adopted in Tokyo this week as leaders of the Organization of African Unity were preparing to condemn Japan's trading links with Rhodesia, will undoubtedly come as a blow, not only to Salisbury but also to South Africa.

Japan is the world's biggest buyer of chrome ore and ferrochromium from southern Africa. Last year its steel industry imported 416,000 tons of chrome from the area.

At present Japanese customs will accept consignments of chrome and ferrochromium from South Africa, accompanied by a certificate of origin issued by the South African Chamber of Commerce.

Japan denies that it has violated sanctions, but evidence suggests that about half its chrome imports from South Africa are indirect consignments from Rhodesia.

The new regulations, which come into force on July 18, require consignments of chrome ore from South Africa to be analysed by Japanese laboratories. Any cargo with a high chrome content, characteristic of Rhodesian ore, will be banned, regardless of the certificate of origin. The new regulations state that examination must be conducted by a neutral laboratory under the supervision of customs officials.

The new law also declares that chrome imports from all other sources outside South Africa must be shipped directly from the country of origin, or through bill of lading.

Japan had been warned that the United States would refuse to import specialized steel products unless the Japanese Government provided certificates proving that the metal did not contain Rhodesian chrome.

Japanese officials admitted today that the Government had been suspicious about certificates of origin issued by the South African Chamber of Commerce.

"We were suspicious because the South African Government refused to meet our original request and issue an official certificate of origin in its own name," one said. "They always insisted that the South African Chamber of Commerce was the competent authority."

# Unesco round-table meeting told that knowledge of science should be an instrument of change Averting doom in the year 2000

from Charles Hargrove  
Paris, June 30

A two-day round-table discussion organized by Unesco on the "Challenge of the year 2000", attended by 30 people prominent in the fields of politics, arts and science, adopted a resolution calling for a new world economic order. The participants included three Nobel Prize winners, Professor Alfred Kastler, Lord Noel-Baker and Mr Sean MacBride.

All the speakers in the discussion, who came from all parts of the world, fully endorsed the alarm sounded by Senor Luis Echeverria, the former President of Mexico, who insisted on the opening day that it was intolerable for 1,400 million people to dispose of only 4.4 per cent of the world's wealth.

Exhaustion of natural resources and the arms race, he added, were not the only threats to mankind. If new forms of energy became the monopoly of a minority, an atomic war was an inevitable risk. He saw the true answer to the threat to man's future in the rational use of human and material resources. He considered that scientific knowledge should be used as an instrument of change.

In the year 2018, he said, "owing to demographic multiplication, out of a possible world population of 9,710 million, 7,730 million make up the Third World. In the face of this tide, it is useless to think in terms of a desperate attempt at demographic sterilization. We must think in human, scientific, and rational terms, a qualitative transformation of life which affects the root cause of population growth."

"There is no community of

free peoples which can be based indefinitely on the exploitation and misery of the masses," he emphasized. MRM Janes Stanovick, the executive secretary of the United Nations Economic Commission for Europe, said that, in the world of the year 2000, the total gross national product would be troubled because of low population growth in the industrialized countries; but high population growth would cause growing inequality in the Third World.

Consumption of the earth's resources of energy would quadruple by the turn of the century, and it was neither moral nor possible for this to continue.

The meeting expressed "alarm at the dilatoriness in implementing world nuclear disarmament" as a first step towards general and complete disarmament; at the continued and reckless plundering of the irreplaceable resources of the earth; and at the arbitrary deforestation and pollution of nature.

The three Nobel Prize winners drafted an appeal open to signature by all participants, which called upon President Carter and President Brezhnev to ensure the application of Article VI of the 1970 Nuclear Non-proliferation Treaty as soon as possible. This article pledges signatories to pursue negotiations on effective measures for the cessation of the nuclear arms race "at an early date", leading to nuclear and general disarmament.

What meaning can be given to the phrase "an early date"? the appeal asks, reminding the leaders of the two superpowers that the fate of mankind hangs on their decision.

Mr MacBride suggested that

Unesco or the Council of Europe sponsor an international convention to ensure protection of the right to information on armament and disarmament, and provide measures to prevent the manipulation of mass media by "industrial and military complexes, governments, or other economic interests that favour disarmament".

M. Andre Fontaine, the editor of Le Monde, said nuclear war and poverty were the joint threats to man's future and expressed the view that conservation and fairer distribution of the world's resources were needed. This called not only for a mental, but also a moral revolution, and the imposition of restraints.

Professor Kastler sounded the alarm over the deforestation of the world and oil pollution of the seas. The destruction of the celebrated cedar forests of Lebanon dated only from the past century—93 per cent of the forests of Madagascar had been ruined in less than 100 years; and half the African Equatorial jungle had vanished.

Introducing a sharp political note in the debate, M. Michel Jobert, the former French Foreign Minister, condemned "the predominance of the United States" and insisted on the need for a sharing of power in the year 2000.

"We live on in the system of Yalta," he said. "What is fundamental is to condemn great empires and abusive doctrines which always turn into state violence or the detriment of individuals. The interest of Europe is to be able to demonstrate that there is a quiet way of contesting power and insist on the sharing of it, in the monetary and commercial fields also," he said.

# Chartist tells of Czech national aspirations

By Richard Davy

A thick new dossier on violations of human rights in Czechoslovakia was presented at a press conference in London yesterday by Mr Tom Stoppard, a playwright who recently visited Czechoslovakia, and Dr Zdenek Mlynar, formerly a senior party official in the reformist Dubcek regime of 1968, who came to the West on June 13 after months of harassment.

Dr Mlynar said that the human rights activists in Czechoslovakia were not a small group of dissidents but represented national aspirations suppressed by the armed force of the Soviet Union.

The regime knew if it granted freedom of expression the majority would turn against the policies of "normalization", which have prevailed since 1969. The human rights movement was a movement for national sovereignty and political democracy, he stated.

The aim of Charter 77, the civil rights document published in January and so far signed by 750 people, was not designed in Dr Mlynar's view, to provoke the confrontations between East and West, nor did it aim, as it was one, to expect to change the substance of the dictatorship imposed after the Soviet-led invasion of 1968.

But debate was scarcely imaginable without respect for international obligations, and all the signatories of the Helsinki agreement were fully entitled to inquire into its implementation by other signatories. This was not only an internal affair of the signatories themselves.

He said that intimidation might stop the Charter 77 movement from continuing to produce new documents, but it had not done so yet.

The dossier which he was introducing is being sent to all 35 governments which signed the Helsinki agreement in 1975 and which are now meeting to prepare a review conference in Belgrade.

It contains the full text of Charter 77, numerous letters and petitions to the authorities, the text of the letter dismissing Dr Mlynar himself from his job as an entomologist in Prague's National Museum after he had signed the charter, and many other details of illegal dismissals, denial of full educational opportunities to the children of dissidents and general harassment. There are also texts of Czechoslovak laws and expert analysis of them.

Whether the Charter movement survived or not the important thing was to strengthen the national consciousness of people and the ideas of human rights and thereby to work for democratization.

Official propaganda had been a great help, he said. Never before had Rude Pravo, the Communist Party paper, written so much about human rights. For instance, when ever it criticized West Germany for excluding certain people from public service it drew attention to the relevance of the question for Czechoslovakia.

The political leadership of Czechoslovakia, he said, was united in two respects. No group would act without permission from Moscow, and all shared collective responsibility for the purges of 1970-1972, as they were all in-bred of democratization.

But there was a pragmatic group, represented by Mr Lubomir Strougal, which felt that the economic performance of the country could be improved by a slightly more relaxed policy of promoting people with better professional qualifications.

White Paper on Czechoslovakia (The International Committee for the Support of Charter 77 in Czechoslovakia). £12 from Mrs France de Nicolay, 3 rue des Lions, 75004 Paris.

One man's testimony, page 18

# Mr Vance seeking closer relations with China

New York, June 30.—Mr Vance, the United States Secretary of State, last night outlined an American policy in Asia of seeking closer ties with China while reinforcing existing relations with traditional American allies in the region.

In a speech to the Asian Club here, Mr Vance noted that he was going to Peking in seven weeks, but said that further normalization of relations "may not be easy or immediately evident".

He said he would be discussing many issues with Chinese leaders and subsequently remarked that the United States had in the past offered to meet

Chinese and North and South Korean officials to find a more enduring peace between the two Koreas.

But even as he defended the Carter Administration's stand on pulling out all American ground troops from South Korea, saying the United States was still committed to the country's security, a report strongly criticizing the withdrawal was issued for Congress.

The report, prepared by the non-partisan congressional Budget Office, said the withdrawal could increase the chance of conflict between the North and South and might also encourage Seoul to acquire nuclear weapons.—Reuter.

# Mercenaries' relations anxious for news

By Stewart Tiedler

The situation of British mercenaries imprisoned in Angola is to be discussed at a meeting next week between Dr Owen, the Foreign Secretary, and a representative of the men's relatives.

The meeting has been arranged for Tuesday, when Dr Owen will be told of the relatives' concern about the seven Britons. They have received no letters since an abortive coup took place in Angola in April.

For some time Italian diplomats, who represent British interests in Angola, have been trying to visit Sao Paulo prison to see the men.

# Cautious Hungarian line in Eurocommunist dispute

Budapest, June 30.—The Hungarian Communist Party, taking a cautious line in the growing controversy over Eurocommunism, said today that every communist party was entitled to chart its own policies.

European communist parties, operating under different conditions, had a right and duty "to select independently a path for the democratic transformation of their countries and for building a socialist society", according to Dr Janos Berecz, the director of the international section of the Hungarian party.

His comment, published in the party newspaper Nepszabadsag, came after sharp attacks by Soviet and Czechoslovak journals against Seior Santiago Carrillo, the Spanish Communist leader.

The Spanish, French and Italian Communist parties follow a moderate line which has become known as Eurocommunism. This is regarded as highly suspect by the parties of Eastern Europe.

There have been growing indications that the Hungarian party, which has close links with Italian Communism, does not fully endorse the Kremlin campaign against Eurocommunism.—Reuter.

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## OVERSEAS

# Mrs Bandaranaike set for poll win in Sri Lanka despite opposition of former leftist allies

From Donovan Moldrich  
Colombo, June 30

Mrs Sirimavo Bandaranaike, the Sri Lanka Prime Minister, appears to stand a good chance of being returned to power in the general election on July 21. Despite defections, her Freedom Party had 91 members in the old House of 151 elected members. The opposition United National Party had 59 members, while the United Left Front, consisting of Trotskyists, Communists and former Freedom Party members had the support of 28 MPs. Only a dramatic swing in public support can result in the United National Party ousting the Freedom Party.

In the 1970 general election in which she defeated the United National Party, Mrs Bandaranaike had the support of the Trotskyists, to whom she subsequently gave three portfolios, and of the pro-bloc Communist, who received one portfolio.

The legislative measures of the Trotskyist ministers, especially Dr N. M. Perera, who was Minister of Finance, angered the Trotskyists, who are financial pillars of the Freedom Party and in September, 1975, Mrs Bandaranaike asked President William Gopallawa to dismiss the three Trotskyist ministers.

The position of the Com-

munist became increasingly untenable and the last straw for them was when Mrs Bandaranaike prorogued Parliament in February this year without even informing her Communist allies in the Cabinet and Government.

The Trotskyists, the Communists, and five members of the Freedom Party who left it because of the repressive measures taken to crush strikes in January this year now constitute the United Left Front.

Mr J. R. Jayewardene, who succeeded the late Mr Dudley Senanayake as leader of the United National Party in April, 1973, has attempted to build a popular party which no longer depends on aristocratic or wealthy families for support.

The party has chosen as candidates in the forthcoming election men and women from all walks of life and has wooed young people who constitute about one million new voters.

Mr Senanayake was a bachelor and he misjudged the mood of the country when he reduced the weekly rice ration from 4lb a week to 2lb (given free). It was the "kitchen revolt" that the new government brought to power in May, 1970. She made the restoration of the ration of 4lb one of her main election promises then. This time the United National Party is promising voters 8lb a week if they are returned to power.

The United National Party is also mobilizing support by pinpointing public grievances over the increasing cost of living, unemployment (about one million people are unemployed), corruption, the gagging of the news media, and allegations of nepotism.

In 1970 Mrs Bandaranaike had the vociferous and volatile leftists on her side. This time they are all ranged against her.

The leaders of the United Left Front are promising to carry on the nationalisation measures they had hoped to introduce before they were ousted from the office. The United National Party, as part of its new image, also claims to be socialist and has promised to make workers the owners and directors of all state-owned enterprises.

With "socialism" a common promise of the three main groups, the Freedom Party is likely to be judged on its record in office over the past seven years. The recent boom in tea prices came too late for Mrs Bandaranaike's Government to mitigate the hardships that people have suffered through restrictions on imports.

Mrs Bandaranaike has spoken of the need to lead the country to "economic independence" and has said that once she believes this goal she will retire from politics.

## Kenya says E African Community is dead

From Charles Harrison  
Nairobi, June 30

No financial provision has been made by the Kenya, Tanzania and Uganda Governments to finance the East African Community after midnight tonight. Efforts to secure at least a temporary payment corner part of the new financial year have apparently failed, because of the hostility between the three states.

Kenyan officials are saying that the Community is now dead, and they have recalled all East African working at the Community headquarters at Arusha, in northern Tanzania.

Mr Geoffrey Karithi, permanent secretary in the Kenyan President's office, said Kenya would take over the services hitherto provided by the Community. Railways, air services and air services are already operating separately for Kenya and the other countries.

The East African Posts and Telecommunications Corporation, although a Community body, has been effectively divided into three separate organizations.

The civil aviation and meteorological services have already been taken over by the Government. The same is now expected to happen to the customs and excise department, which has its East African headquarters in Mombasa.

Statements from Tanzania

and Uganda were not

to keep the Community in

operation for those two coun-

tries are not regarded seriously

here. Without Kenya there is

little prospect of any of the

services operating on an East

African basis. The same is now

expected to happen to the

closure of the land border

between Tanzania and

Kenya last February was prob-

ably intended to cripple

Kenya's export trade to Tan-

zania and countries like

Zambia, but the effect was

much greater than this. It de-

stroyed the economic union

Kenya had with Tanzania and

prevented work realistically in

joint services with the other

East African countries.

## Uganda marks centenary of missionaries

From Our Correspondent  
Nairobi, June 30

The centenary of the arrival of the first Christian missionaries in Uganda—a party from the Church Missionary Society in England—was celebrated with a public holiday throughout Uganda today.

The celebrations were ahead despite the uncertainty created by the murder of the Most Rev. Janani Luwum, Archbishop of Uganda, in Kampala in February, and the subsequent death of large numbers of Christians.

## Crucial Pakistan talks today on election pact

From Our Correspondent  
Rawalpindi, June 30

Government and Opposition failed to agree today on a draft plan to resolve the political crisis resulting from Pakistan's controversial elections in March.

A subcommittee comprising a member each of the Government and of the opposition Pakistan National Alliance, met for three hours without agreeing on the powers of a committee that is to ensure that a proposed agreement between the two sides is enforced and that general elections on October 7 are conducted fairly and freely.

Subcommittee talks were resumed after about a week's interval during which the Government and Opposition at one stage were close to abandoning negotiations, each accusing the other of bad faith. Mr Bhutto, the Prime Minister, had said the Government would not yield to the Opposition's ultimatum and threat to resign. The Opposition had said its revised draft for agreement was final.

The subcommittee sat today after personal interventions last night by Mr Bhutto and Maulana Murtaza Mahmud, president of the Alliance.

Having failed to agree in subcommittee today, full delegations of the two sides are to meet tomorrow, but the Alliance said it would make no further concessions to the Government.

The Alliance executive has already decided that no further size should be allowed to the Government in reaching an agreement, saying the people were getting restive over the prolonged and uncertain state of affairs.

Mr Bhutto warned the Opposition on Tuesday that deadlock could destroy democracy in Pakistan and indicated the country might revert to dictatorship.

In the continuing difference over the powers of an election committee, the Opposition asserted that anything short of the measures it proposed would enable the Government to repeat in October the polling the Opposition says was rigged in March and June.

Opposition sources said the Army, which at one time came to the full backing of Mr Bhutto in the crisis, was now expected to be neutral, urging both sides to find a political settlement.

Meanwhile, King Khalid of Saudi Arabia is understood to be maintaining his good offices through his ambassador in Islamabad in encouraging a settlement of the crisis.

Mr Bhutto's spokesman, Mr Ahmad, an Opposition leader, met the Saudi ambassador today after the subcommittee's talks failed.

## Britons held in Laos to be expelled

From Our Correspondent  
Bangkok, June 30

Six foreigners, including three British citizens and an Australian journalist, who were arrested by Laotian authorities last week, have been freed and will be expelled from the country, diplomatic sources said today.

The sources said that Mr John Everingham, aged 29, a correspondent for the weekly *Far Eastern Economic Review*, would be expelled tomorrow.

Mr Everingham's departure will be followed in one or two days by the expulsion of three British citizens, Mr Alistair James Kennedy, aged 22, Mr Ray Francis Oram, aged 26, and his Thai-born wife Soujitra.

—Agence France-Presse.

## Gandhi team was paid to help sterilization

Delhi, June 30.—Mr Raj Narain, the Health Minister, told Parliament today that close associates of Mr Sanjay Gandhi and senior administration officials had been paid more than £10,000 for helping a Government sterilization drive.

Mr Narain said the money was paid to them for persuading people to undergo vasectomy and tubectomy operations during the 21 months of emergency rule from June, 1975.

He told the Lok Sabha (Lower House) that Mrs Rukhsana Sultana, one of Mr Gandhi's closest assistants, received the highest payment of about £5,500 for persuading 8,407 people to be sterilized.

—Reuters.

## South Africa's immigration figures hit crisis level

From Our Correspondent  
Johannesburg, June 30

South Africa's immigration policy took a sharp knock in the first quarter of this year when a net gain—the balance over emigration—of 574 people was registered. The figure in the same period of last year was 11,014.

In previous years, South Africa was used to a net annual immigration gain of between 28,000 to 30,000 people. But the brain drain, coupled with a worsening employment situation, has reversed the trend.

Doctors, accountants, managers and other professional people are leaving the country in droves, official statistics reveal. The only whites arriving in large numbers are Rhodesians—2,365 in the first four months of this year, according to official figures.

Unemployment is rising by a thousand every working day and now stands at one and a half million.

Professor Arnt Spandau, who holds the chair of business economics at Johannesburg's Witwatersrand University, said today he arrived at his unemployment figures through estimates based on recognized academic research methods.

Although they may be hotly disputed by the Government, they do not differ widely from estimates previously arrived at by other research sources.

There are no official estimates of unemployed blacks but industry in South Africa normally works on a ratio of ten black workers to one white when the going is good. In the economic recession which has gripped the country is now going through, this margin is clearly much wider.

## Why the Green Paper is not enough

When Anthony Crosland set up the review of housing finance early in 1975, he described the existing system as "a dog's breakfast". The defects have become even more apparent since then. We are spending ever increasing amounts of public money to produce fewer and fewer new or improved houses. More and more of this public finance goes towards holding down the cost of mortgages and local authority rents; less and less goes into bricks and mortar. House prices are artificially inflated; and the public expenditure cost of public sector building is so great that we are building and improving far fewer houses than we know we need.

Yet the Green Paper which finally emerged on Tuesday recommends no significant change in the financial structure. The scope and title of the review has been extended to the whole of housing policy. It makes many valuable proposals; but without a change in the "dog's breakfast" or an improbably large increase in the amount of public money going to housing we shall not begin to meet housing need. The review estimates the scale of this at 2,700,000 new or improved houses now, and nearly a further 2 million in the next 10 years.

The reluctance of the review to embark on fundamental changes is understandable. They would be very difficult to administer, as the Green Paper forcefully argues, though they would clearly not be impossible. The review does not concede the need for change; but the evidence from falling investment in the public sector, and the escalation of house prices, is overwhelming. The real argument against change is political.

Three out of every five households benefit from the present system of indiscriminate subsidies; and although an even larger majority would, I believe, ultimately gain from a change, immediate losers tend to be a much more potent political force than long term beneficiaries.

Despite these difficulties, it is disappointing that the Housing Review has not, at least, set out the guidelines to assist us in moving towards the more rational system we shall ultimately be forced to adopt. Any changes will have to be introduced gradually, preferably over a period of 10 or 15 years; but if we do not start to make them very soon, the problems of acute regional shortages, overcrowding, and of defective or deficient housing will be as bad in 10 years time as they are now.

House prices will probably have continued to rise at a rate much faster than general inflation, and an excessive proportion of the funds needed for investment in industry will, as now, be channelled into financing house purchase.

Tax-relief on mortgage interest enables us to borrow up to 50 per cent more than we could otherwise afford; consequently we can pay more not only for new houses, but for those already built. As our incomes rise through inflation, our borrowing capacity increases even faster. This is the fundamental cause for house prices rising by 433 per cent since 1960, while the retail price index has risen by only 254 per cent.

In the same period the *Financial Times* industrial ordinary share index has risen by less than 50 per cent. Although the issue of bonus shares has to some extent distorted the relevance of that index, those figures help to explain why, over the past 15 years, the average proportion of personal wealth held in the form of dwellings has doubled while the proportion held in company securities, on which pure economic prosperity depends, has halved.

I am not, of course, suggesting that mortgage tax-relief should be withdrawn; but there are strong grounds for arguing that, for each new mortgage in future, relief should be spread off over a number of years, as housing costs decline as a proportion of income.

If we are to solve our housing problems, however, we must also look at the rents for council tenancies. Average local authority rents in 1973 represented 8.4 per cent of average annual earnings; now the proportion is down to 7 per cent, and for higher income tenants the proportion is lower still. There are wide variations; but although the rents charged by some authorities, particularly in local areas, are high, in others they are unacceptably low in view of the extent of inner housing need. As a result, the public expenditure cost of each new council house or flat is so great that building programmes have been drastically cut. Though the subsidy changes proposed in the Green Paper will enable additional help to be given to authorities which are overburdened, and reduced in areas of less need, the commitment by Mr Peter Shore to keep rent increases broadly in line with rises in money incomes will seriously weaken the effect of any change. Areas with very low rents should be court-

buting, by the release of central government subsidies, to the solution of problems of the areas.

We are at present subsidizing incomes of those—both mortgagees and tenants—who are adequately housed doing far too little about those who are not. If we do not tackle the problem now, it will not only be those on a waiting list who suffer. If house prices go on rising faster than inflation local authority waiting lists get longer and many families whose housing is satisfactory now will find themselves sharing homes with their grand-children.

Housing policy since the war producing remarkable improvements in living conditions for a great many people, however, according to the review, leaves 1,800,000 households in England and Wales—more than one in 10—circumstances which are just not acceptable by contemporary standards. Council housing expenditure burdens the government, however good its intentions, is likely to meet that need. Council sales would aggravate the problem of the stock available to relieve the need for new housing.

There are no easy answers; and Housing Review has reflected the difficulties though for understandable reasons. Fundamental changes are politically infeasible until there is a general agreement between the major political parties or form they should take.

Housing finance policy effects not our social structure, but the whole economic structure. It is a structure which has been subjected to a political war for too long. A Parliamentary Committee on Housing seems the probable way of achieving inter-party agreement on the policies to be followed in future. There has been an all-party motion calling for such a committee on House of Commons Order Paper for a time. The Leader of the House should respond to it now.

**Bruce Douglas-Mai**  
The author is Labour MP for Merthyr Tydfil and Mordun.

## Foreign Report

## Oiling the wheels of Red Sea diplomacy

At the start of the 1970s the United Nations started the Yemen Arab Republic (YAR) "one of the most underdeveloped of all the world's underdeveloped countries". But since the present government took over on June 13, 1974, after a bloodless coup d'état by the Army, there has been an economic boom as rapid as that of any oil sheikdom.

The prime mover behind this economic progress is Saudi Arabia. But for Saudi aid the YAR would still merit its UN rating, the Government would be bankrupt, and the country in general would be almost as medieval as it was until 1962 when the last theocratic imam was expelled.

Saudi aid covers the budget deficit; it provides civilian aircraft for Yemen Airways and cheap oil; it pays for a road-building programme of 500m Yemeni rials (about £55m); and in a recent deal with the United States, Saudi Arabia undertook to spend about \$150m in equipping the YAR's armed forces.

But Saudi aid is rarely given without the expectation of some return. The YAR is crucial for Saudi Arabia—and for the other oil-producing states of the peninsula—because of the domino theory of communist spread—because of the Democratic Republic of Yemen (PDY), the YAR's other neighbour. Saudi aid is lavish and will continue to be lavish so long as the YAR Government remains moderate and mildly progressive. Were the YAR to be taken over by a left-wing government and the two Yemens to unite, the soft underbelly of Saudi Arabia would be naked. That was the supposed aim behind Nasser's partition plan between 1962 and 1967 in the civil war in the YAR. A communist guerrilla war waged out of a united Yemen would be a stern test for Saudi Arabia.

But the recent affair in the Dhofar province of Oman has not helped matters. Because of this increasing influx of financial aid the YAR is in a state of unprecedented prosperity. No oil, however, has been found, although drilling is taking place off the Red Sea coast. Nor does the country export much—a few hides and skins, some salt and coffee. There is also the staggering effect on a third-world economy of the remittances sent home by the million or so Yemenis working abroad. Most of them are employed in Saudi Arabia and the value of the remittances they send home is estimated by official observers at approximately \$3m a day or \$1,000m a year. The YAR may be "underdeveloped"—lacking in roads, factories and social services; but it is quite certainly not poor.

This financial assistance has had its effect on the agriculture of the YAR. Although much of the country is fertile there is diminishing incentive to farm subsistence crops when every import is paid for by foreign aid. In consequence cultivable areas are increasingly given over to "gum", the aromatic shrub, for local consumption. Gum prices have soared in recent years and it has become the principal cash-crop.

Altogether the YAR now is probably more stable and prosperous than it has ever been since it was Arabia Felix and thriving on the frankincense trade with Pharaonic Egypt. However, some contingency planning has been done in Saudi Arabia in the event of a left-wing takeover in the YAR capital of Sana'a. In this the terrain of the YAR provides assistance: The northern highlands are ideal for guerrilla warfare (there is only one macedonized road in the area). Whereas the south and the Tihama coastal plain are controllable, the north is mountainous and the population lives in remote, scattered villages, admitting no real authority save that of their tribal leaders.

Saudi penetration started in 1934 when force majeure and the Treaty of Taif gave Saudi Arabia control over the province of Najran and Jizan, to which Yemen has justifiable claims. Now the governor, Najran, Khalid al-Sudeiri, through his own initiative and with his own funds, cultivates the support of the northern Yemite tribes. A radio station, an unofficial reported recently, has been offered to Abdulrahman al-Ahmar, paramount shaykh of the Hashid tribal confederacy. In other ways the Saudi influence is observable. Registered vehicles in the north and north-east of the YAR are usually Saudi registered; there the Saudi rial not the Yemeni rial is the prime currency.

This strategy of sowing the seeds for potential buffer-states between Sana'a and the northern border is well in accordance with the lessons of history. The tribe north has always been a near-autonomous area. Neither the Egyptians nor the Turks during their various periods of occupation of Yemen ever subdued it.

The YAR government's control over its southern border however is unquestionable. The recent resistance in the south around the Damir area, where rifles and mines had been supplied to the locals by the PDY, was ended last year after peace initiative by YAR President Ibrahim al-Hamdi.

Politically and strategically therefore the West needs an open and stable YAR for Saudi Arabia's security. Quite apart from this consideration there is also its cultural heritage—the ruins of the Minaeans, Sabaeans, Qatabanians and Himaerite civilizations lie buried under the sands of time awaiting excavation and scientific research. It would be a cultural disaster if the YAR again became a closed country or the scene of another civil war.

**Scyld Berr**

## Why do some sleep less?

Deprive a man of sleep for 48 hours and he will think of nothing else: it is our most basic biological appetite. The need for rest, repair, and recuperation for the brain seems as obvious as the need to refuel the body; yet there is still no clear biological explanation of our regular demand for eight hours retreat into unconsciousness every night.

Is there any possibility that we might find a way of doing without sleep? Sleep researcher Dr Ray Meddis believes that we could find a way of sleeping much less and possibly not at all. His theory, described in *The Sleep Instinct* (Routledge and Kegan Paul, £4.50) is that sleep is a primitive survival from our animal past that serves no vital biological purpose in modern man. Sleep, says Meddis, is a spare-time activity. In the animal world the time spent sleeping depends directly on the time required for essential tasks—finding and eating food, grooming, mating, and looking after the young. An animal with time left over might be tempted to wander around, investigating anything which caught its attention. Sleep provides such animals with a safe alternative which keeps them out of harm for as many hours as possible in every 24; and this pattern of behaviour has an obvious evolutionary advantage. Years of evolution have encouraged "successful" animals to find safe places to sleep, and indeed they will sleep only so long as they feel unthreatened, hidden away from possible predators.

A fox in its lair or a rabbit in its burrow sleeps for long periods. In general, carnivores such as cats sleep long hours—perhaps 14 hours a day—while animals such as horses and elephants whose diet is nutritionally less concentrated may need to spend 20 or more hours a day awake browsing and chewing. Sometimes seasonal demands vary: birds sleep far less while feeding their young, and their need for longer daylight hours is part of the explanation for their summer migration to polar latitudes.

Once sleep is seen as a behaviour deeply ingrained by instinct rather than a biological necessity many of its apparent anomalies can be explained. Individual requirements vary enormously; while there are no fully authenticated cases of people who never sleep there are many who need only two hours or less sleep. Such a range of variation is not found with other physical necessities such as food. Other often prominent politicians—Mrs Thatcher and President Carter are examples—seem to be able to function on only four or five hours a night, and it is easy to see how valuable these extra hours could be in a demanding occupation.

After a long period without sleep the compensation required is less than the sleep missed—one "good night" seems to make up for two or three nights with less than half the normal hours sleep. Sleep requirements cannot be calculated, like food requirements, on mathematical formulae based on physical size and activity: they are unpredictable on any objective measurement. The desire to sleep

is influenced more by the time of day than the length of time spent awake; it is never easy to get to sleep early in the morning no matter how poor the night's rest.

Dr Meddis claims that the balance of evidence suggests that sleep is far less necessary than we believe. He admits that as yet no one has found a way to help us do without sleep; he argues, however, that we may all benefit if we can discard the belief that eight hours sleep is as much a physical necessity as the vitamins in our diet. We need, he says, to find a way of increasing the proportion of non-sleepers in human society of persuading incommodities that they are not necessarily in need of medical treatment, and of changing the emphasis of medical research into sleep disorders.

His is a minority view. Orthodox research theories still see sleep as vital for the brain; during the active, "paradoxical" periods in which we are dreaming the blood flow through the brain is speeded up, its heat output rises, and the likely explanation is that these are signs of protein synthesis. Certainly this type of sleep is not prolonged in children at the time of maximum brain growth. Quiet, dreamless sleep is thought to be similarly essential for restoration of the other major organs of the body. But there is no easy answer to Dr Meddis's central question: if some of us can function perfectly on two hours sleep in 24, should it not be possible to find a way for the rest of us (if we want to) to do the same?

**Dr Tony Smith**

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PARLIAMENT, June 30, 1977

No practical prospect of UK leaving EEC: reform the better way

House of Commons

During question time Mr James Callaghan, the Prime Minister, was asked by Mr Robert McMillin (Barnet, Hants, C.) on this subject of the British Presidency in Europe, does not the Prime Minister regret that in the eyes of the country and of the EEC the last six months are characterized much less by initiatives and achievements on the part of Britain and much more by a resurgence of anti-European feeling in his own party? (Conservative cheers.)

Mr Callaghan—The six months of the British Presidency has been marked by an efficient conduct of business, and by progress in a number of fields. (Interjections.) It needs me to come to an agreement on anything and that takes a lot to do.

As for a resurgence of anti-European feeling or anti-Common Market feeling, some of my friends are reflecting the feeling in the country of exasperation about conditions generally which they are wrongly attributing to the Presidency of the European Community. (Laughter and interruptions.)

As there is no practical prospect of leaving the Community it is better that we should confine our efforts and direct them to reforming the things about it that do not suit the British people. The agricultural policy is certainly one.

The Prime Minister's answer came in the form of a speech in which Mr Callaghan said that the Government was not going to leave the Community, but that it was going to reform it.

JET project: scientific team at Culham asked to wait another month

The European Council of heads of government of the EEC, meeting in London yesterday and today, recognized the need for a sustained expansion of world economic activity consistent with a further reduction of the rate of inflation and of unemployment, the Prime Minister said in a statement.

Mr James Callaghan (Cardiff, South-East, Lab) said: Unemployment was a leading theme of our discussions, particularly employment of young people, women and the elderly. I was able to report to the other heads of government details of the youth opportunities programme which has been announced to the House yesterday. This initiative was very much welcomed.

Following the last European Council I wrote to the chairman of the governors of the European Investment Bank in Luxembourg, asking him to consider the possibility of a loan to the Government to help with the JET project.

Members of the Council emphasized the importance of the commitments made by some heads of government to the achievement of a growth rate of 3 per cent in 1977 and 1978.

We invited the Commission to study certain sectors of industries in order to identify areas which are seriously affected by structural changes in the economy while adhering to the view that a liberal commercial policy was in the interests of the Community and of the world as a whole.

I was able to bring other heads of government up to date on the progress of events in southern Ireland, including a number of discussions at the Commonwealth Heads of Government meeting. It was agreed that the situation in Ireland was serious and that foreign ministers will continue to exchange views in order to achieve a concerned policy.

There was a useful exchange of views on East-West relations. The President Giscard reported on the recent visit to Paris of President Brezhnev.

The statement on the Middle East affirmed that all aspects of Security Council resolutions 242 and 338 must be taken into account and our statement reflects the role which the United States has in promoting negotiations for a peace settlement. It was nevertheless the view of the heads of government that the situation in the Middle East was serious and that the United States should make clear our view of the need for progress in further negotiations.

This was a useful but not dramatic meeting, which gave us an opportunity to review existing policies and where necessary to adapt them to a changing situation.

Mrs Margaret Thatcher, Leader of the Opposition (Barnet, Hants, C.)—The Prime Minister has not mentioned JET. We are disappointed that there has been no mention of it in the statement. It is important to have research on nuclear fusion at Culham.

In his first statement of this year's summary, about the Downing Street summit, the Prime Minister finished by saying that the intention of those who signed the communiqué was to secure the momentum of economic recovery.

That momentum already appears to have been lost. Growth forecasts have been revised downwards and ours has been revised most downwards of all.

By enabling effective action to be taken in areas where market forces do not exert an adequate restraint on prices, the Bill would play an important dual role in restraining prices and in improving competition policy. It would be of benefit to everybody.

The Earl of Mansfield, for the Opposition, said this was a charter for permanent Government snooping into areas outside their everyday concern and it was this which gave rise to their opposition.

The Conservatives were not opposed in principle to controlling prices in the short term for specific purposes or reasons. Controlling prices could never be a wholly effective in Britain because the country relied too much on imports. So price control, of necessity, must be for a short time.

Lady Seear (L) said that Liberals joined in the opposition to the Monopolies Commission and the Office of Fair Trading why did it have to be a third party? It would add to bureaucracy, complexity and cost.

Lady Elliot of Harwood (C) said that to prevent a company making a profit was a hopeless method of control, and would not enable companies to expand, develop or create more employment.

Lord Mottistone (C) said this was a noisy partner's Bill. There were better ways of controlling prices. Viscount Rochdale (C) said that the case for continued price control could not rest on excessive profits, nor on any lack of competition when for the vast majority of nations for which competitive pressures were considerable.

The Bill was read a second time.

Parliamentary notices

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Today at 11. National Appointments Bill (C) (Conservative)

Northern Ireland Bill (C)

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What chance is there of Mr Steel's shopping list of demands being met?

# The Liberal gamble with Labour: and why it looks unlikely to pay off

It is easy to see why Mr Callaghan wants to renew the Lib-Lab pact; he is anxious to avoid an election this year and next year, too. But are the Liberals acting in their own best interests not only in seeking to extend the pact for another session but also in setting such an apparently high price for doing so?

I was among those who believed that they were taking a justifiable risk from their standpoint in forming the pact three months ago. They had three options. They could have helped to bring the Government down and precipitated an election in which, despite all their protestations of optimism, they would probably have done very badly. In party terms, that would have been foolhardy.

They could alternatively have continued to give what support was necessary to allow the Government to survive without coming to any kind of open agreement. That would have avoided the danger of an election while permitting the Liberals to continue gathering the protest vote.

Their hands would have remained unsullied by responsibility. But they would still have been blamed for keeping an unpopular government in office and would have stood no chance in this way of changing the pattern of British politics—which must always be the hope of a party whose prospects seem so gloomy under present conditions.

The third option was to agree to sustain the Government on terms that were designed to give them influence over government actions. There were both negative and positive arguments for taking this course. In the first place, their position would have remained—pretty hopelessly—else to a man lying flat on his back on the floor the danger of falling does not present the greatest threat.

Secondly, there was always the chance that the pact would shake things up a bit—just possibly helping along that realignment of the left for which Liberals pray, or at least encouraging tactical votes from Labour in seats where the Liberal ran ahead of Labour last time. It was worth a go.

But the evidence to date suggests that the gamble has not worked. The Liberal candidate has fared disastrously in every by-election since the pact was formed; the party has slipped even further in the opinion polls; and the general impression is that the pact has not given the Liberals much effective influence over government.

Why renew it then? The most powerful argument for doing so from the Liberal point of view is that they would have the worst of both worlds if they were to stop now. They would stand no chance of deriving any of the possible benefits and they could

still expect to be mauled in an early election.

But if the pact is to continue the Liberals need to extract more from it. They will in any case get the blame for keeping Labour in office, so they must try to obtain some credit for having an impact on policy. That is the justification for setting the terms high. Indeed, I believe that the danger for them is that the terms might turn out to be too low rather than too high. Their nature is not to be discouraged by peering earnestly at Mr Steel's shopping list of 10 requirements.

The Liberals are not likely to insist on every one of them being met, and in any case the critical question is not the range of demands but how precise an obligation they would impose on the Government.

A number of items on the list are phrased in very general terms and the Liberals would be satisfied with some pretty general assurances in return. For the most part that is realistic. It would be foolish for a party that wants action on industrial democracy, for example, but does not like the Bullock package to formulate too detailed requirements at this stage.

But the more general the assurance the more necessary it will be for the Liberals to be involved in the subsequent policy-making if they are not simply to be hoodwinked by Mr Callaghan's sleight of hand.

Up to now the pact has been no more than a parliamentary arrangement in the sense that it has been a means of securing the necessary majorities for the Government in the House of Commons—and it has not always managed to do that. But it has not involved the Liberals in the formation of policy at any deeper level than that.

It is significant that the consultative committee has been serviced by the Lord President's office rather than the Cabinet Office, which is an indication that the purpose is essentially to facilitate the passage of what is left of the Government's legislative programme through the House.

But now with a new parliamentary session in sight the Liberals need to take part in discussions on the substance of policy if they are to have effective influence. That means that the operation of the pact would have to be related to the Cabinet committee system, especially bearing in mind that some of the items on Mr Steel's list straddle departmental boundaries. This would naturally bring in the Cabinet Office.

Mention of Cabinet committees raises certain delicate constitutional questions and it is not clear how far it would be possible to link the junior partner in a halfway arrangement like this pact, which stops decisively short of coalition, with these com-

mittees. But it would be no bad thing to sweep away some of the mystique that surrounds them. At any rate, one of the critical tests for the Liberals of a pact with Labour would be how far the arrangements provided for a deeper involvement in the formation of policy.

There is another aspect to that. The Liberals have, with some exceptions, shown themselves to be unequal to sustaining a serious dialogue with ministers backed by their departments. That is partly a matter of men—and there is not much the Liberals can do about that—but also partly a matter of servicing.

Mr Steel, for example, has only two research assistants and three secretaries to confront the right of the Civil Service. They will want better servicing, which could presumably be provided without constitutional difficulty by providing more staff for the consultative committee rather than for the Liberals directly.

Even if all these points are met there will remain a basic contradiction for the Liberals in the pact strategy. They hope that it will be a path towards the ultimate realignment of the left, which requires a split in the Labour Party. That is far more likely to occur if Labour suffers a humiliating defeat. Yet there needs to be a recovery in Labour's fortunes if the Liberals are not also to endure a shattering defeat for keeping them

in power. The contradiction might be resolved in the next Parliament if Labour recovered just so far as to permit the Liberals to hold the balance. They would then hope to form a full coalition with Labour, which would impose great strains on that party's cohesion.

There are many "ifs" about that kind of calculation, not the least of which is the Liberals' capacity to attract enough support as the party that kept a Labour Government moderate. Now that they have some responsibility for policy they must have much less attraction for those who are simply fed up with everyone else.

The logic of the pact is that the Liberals must rely on their positive appeal—which must be rather daunting thought if one remembers where their votes have come from in the past. There is also the danger of an indecent stigma of failure attaching to the pact and the party, especially if Saffron Walden does not live up to Liberal expectations.

The odds must therefore be against their hopes from the pact. Being realistic, but then the logic of the Liberal position is that the odds must always be against them under present conditions. All they can do is to put their faith in defying the odds.

Geoffrey Smith

## Are the Gospels a 'myth'?

Very few people any longer believe the Old Testament to be literally true. On the other hand, popular reaction to Zeffirelli's recent film *Jesus of Nazareth* shows that there is still a strong attachment still to the idea that the New Testament records liberal history.

This may be the popular view, but it is no longer widely held inside the churches. Instead, there is now general recognition that each of the four Gospels is a strange mixture of fact, history, legend based on actual events, invention for the sake of argument, and subjective interpretation on the part of the author. To use the technical expression now in vogue in theological circles, it is myth.

Unsurprisingly, pursuing their inquiry to their logical conclusion, theologians have turned to asking whether the fundamental tenets of Christianity are also myths: is the Trinity a myth, is the doctrine of the incarnation of God in Jesus Christ a myth? And inevitably also, once the question has been asked in this way, the answer has to be yes.

Is it a revolutionary answer, striking at the very roots of Christian faith and undermining Christianity's claim to credibility among reasonable men?

The presentation of the argument in popular form in *The Myth of God Incarnate* (E235) published by SCM Press today, seems to indicate a deliberate, almost show-business desire to shock the general public. The publicity has been provocative, as if the theologians had grown impatient with failing to each other and jumped at the chance of addressing themselves to the world at large.

In so doing they run the very large risk of being totally misunderstood. The essence of the problem is in the word "myth".

The most distinguished of the seven theologians who have compiled *The Myth of God Incarnate* is Professor Maurice Wiles, Regius Professor of Divinity at Oxford and recently chairman of the Doctrinal Commission of the Church of England.

In words which are not likely to be widely remembered as the row about the book unfolds, he explains what they mean by "myth". They do not, after all, mean a fairy story, for a myth can be true.

The popular understanding of the word, he writes, is of something deceptive, a kind of mirage, something that leads people

astray. A religious myth, as they understand the expression, can be true or false according to the truth or falsity of the ideas that the myth is being employed to convey. A myth can have a variety of meanings at different levels, like poetry.

The classical Christian doctrine about Jesus, most notably in the Creed, speak of him as the incarnation of God, someone who was simultaneously true God and true man. Countless generations of Christians have repeated such words endlessly, content that they were true even if they were at the same time incomprehensible.

These theologians are now saying that the time has come to break through the shell of incomprehensibility, in the hope that this will give more meaning to the story of Jesus by stripping away the myth to reveal the essential ideas behind it.

Professor Wiles expresses the truth behind the myth of the incarnation by affirming two things: "That his own life in its relation to God embodied that openness to God, that unity of human and divine to which the doctrine points; and secondly that his life depicted not only a profound human response to God, but that in his attitudes towards other men his life was a parable of the loving outreach of God to the world."

That, for him, is what the myth of the incarnation means, and in that sense he believes the myth to be true. The difficulty, of course, is that he has created another myth, this time in contemporary language.

The real focus of this controversy is not, therefore, the ambiguous use of the term "myth". It is whether contemporary statements of beliefs about Jesus cover all the necessary ground. It is not difficult to imagine a Jewish scholar being able to endorse Professor Wiles' statement, and it would be highly acceptable to a Unitarian. Even a humanist agnostic could go more of the way with it, though he would want to interpret the "myth" of God in a rather different way.

But Christianity, whether seen from the inside or from the outside, has consistently been something more about Jesus than any of the seven theologians who are today publicly unpacking the incarnation myth to see what it contains.

Christianity has said that Jesus was unique, and in a different way from the way that, say, Shakespeare was unique. Uniquely unique, in fact, and not in some mythical sense but as a mathematical certainty.

The term "Christianity" itself is to have a precise meaning, beyond the reach of theological controversy, that must surely be it.

Clifford Longley

Religious Affairs Correspondent

I have been to see the Fabergé exhibition at the Victoria and Albert, and I shall go again before it is over, probably several times, for it is a magical, an amazing, experience. And those particular adjectives do not come to mind by accident; the V & A has turned into Aladdin's Cave for the occasion, the visitor's impression of having wandered into a bewitched grotto being greatly strengthened by the velvet darkness that surrounds the score or so of showcases and turns them into islands of winking fire in a sea of night.

I was particularly fortunate on my visit because when I collected my catalogue at the door I also managed to collect Mr Kenneth Snowman, organizer of the exhibition and author of the definitive study of Fabergé and his work, and he gave me a guided tour, drawing my attention to a hundred details I would otherwise have missed. It was he who devised and put together the first comprehensive Fabergé exhibition in this country, in 1953; there were getting on for 400 items in it, but the jubilee collection far surpasses the Coronation one, containing well over 500, with examples of absolutely every form taken by Fabergé's genius.

What is the essence of that genius? It is not at all easy to put into words, but I think it possible to move towards a definition if we begin with the analogy of a mosaic portrait; piece after piece is fitted into place, and still there is nothing but colour and pattern, until there comes a moment at which a kind of aesthetic and psychological fusion takes place, and the portrait suddenly leaps at the eye. A mosaic is, after all, something in which, more completely than any other object d'art, the whole is greater than the sum of the parts, and that, it seems to me, is true of Fabergé.

He was, for one thing, a craftsman rather than an artist. (Please do not ask me to define the difference; I am finding this quite difficult enough as it is.) He raised craftsmanship to a height that has probably never been exceeded before or since; look out when you go, for instance, for items 019 and 020.



The charm of Fabergé: Ukrainian peasant with pipe, and tiny animals in precious and semi-precious stones

The first is a picture-frame standing on an easel; it was meant for a photograph. The second is a model of a Louis Seize secrétaire, with a glass top; it is in effect a *stern*. The easel stands just under six inches high; the other just over five. The body of the *secrétaire* is perhaps three inches long and two high; the top opens on hinges, as a real one would. How big are the hinges, then? Three-sixteenths of an inch across? Then what is the diameter of the screws—a fortieth? And how wide is the groove that runs across the top of the screws? No doubt you are reluctant to believe that Fabergé worked to such detail; well, go and look at item N2, which is a soldier five inches high. If you look very carefully at his rifle you can see, perfectly made and perfectly proportioned, the trigger-guard and marvel how a man with ordinary human eyes could so precisely fashion something so tiny. Look again: inside the trigger-guard is the trigger itself.

Now the scrupulous way in which the tiny replica of the *secrétaire* has been made can be measured in this fashion: but it can best be described by Mr Snowman's words in the catalogue: "In dark brown agate, simulating veneered wood, decorated with red enamel, roses, swags, trophies and borders in engraved and chased red, green and yellow gold. Two oval and four rectangular plaques, enamelled opalescent, carry sepia over engravings and painted with musical and military trophies; imitate Sevres porcelain panels. The top, set with a rock crystal panel engraved with scrolls..."

But the frog is clearly worried about losing his hold and slipping off, and it is in the comically ungainly grip he has on his perch that Fabergé demonstrated his ability to think beyond the usual into what makes the usual unique. (Nor, incidentally, did he play safe when he had found the line through his work; to the very end of his career, as you can see from this exhibition, he was still experimenting with shape and colour and material. It was a creatively restless imagination, too.)

The wit is next, seen at its best in the scores of tiny animals and birds; you would have to be a very block-head to turn away from them without a happy smile on your face.

Supreme skill? Infinite understanding? Humour. And to these Fabergé added the most dangerous ingredient of all: charm. (Dangerous indeed; I can hear the click as those

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mercy culture-Nazis of Private Eye unfasten the safety-catch and prepare to whiny.) It is in the charm that there lies, I believe, the best method of telling a real Fabergé from a fake, for so firm was his grip on the aesthetic integrity which which he worked that his pieces, unlike those of his imitators, never descended into Disneyish sentimentality. In the case of some of the animals and birds, particularly, this is hard to believe; yet if you look at the delightful variety of creatures in case D, or even the family of rabbits in case A, you find that you do not react with that tell-tale word "sweet". They are not sweet; they are beautiful, amusing and inexpressibly charming, and they touch the heart, truly, not falsely.

It is a wonderful, warming exhibition; there is no pain in it, and no care, only the double joy of seeing the whole immense range of this genius at work together with the lift of the spirit that the result must give to any visitor whose spirit is not already dead when he enters. If I have to choose a word with which to conclude, I will call it Mozartian; my readers will know that my vocabulary of praise does not include a more powerful tribute.

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## Exhibition the tourists may not understand

Where, in central London, can you visit a coal face, drink Palo Cortado (Croft's special jubilee sherry) with a venisador and watch Alex Park (and a Leyland motor car) avoid Goofy and Mickey Mouse?

You guessed. The chief executive of British Leyland had almost collided with Goofy on his way to the Croft bodg at the Silver Jubilee Exhibition in Hyde Park which was opened yesterday by the Duke of Edinburgh and which will be open to the public until September 4.

A successor, it is claimed, to the Great Exhibition of 1850 (the last one to be held in a Royal Park), the Hyde Park venture brings together British companies and nationalised industries in a festive (if not under its big tent setting) atmosphere.

The National Coal Board has created an impression of working conditions down a mine. Visiting apprentices take turns

of digging for coal. And very well they do it. Mr Park's company proudly displays an old and a new Jaguar (the old one is much the nicer).

The exhibitors, I was told, were chosen for their significance to Britain's social and economic life. It came as no surprise, therefore, that easily the best attended stand was that of Croft, the sherry and port people. Prince Philip, invited to take a glass of the delectable Palo Cortado, declined with a blocking gesture of the hands. Only 10,000 numbered bottles of this superb wine are to be produced.

Senior Manuel Morales, the venisador, obviously did not understand the sign language, for he thrust a copy into the Duke's hand. Prince Philip duly sniffed and drank (and dined) and enjoyed it.

Olave, Lady Baden-Powell, lived up to the motto of the Girl Guide movement, Be Prepared. She recorded her farewell message, on tape, on November 12, 1973. It begins: "I shall have left the world when you receive this message."

## Trouble over Euro perks

Hundreds of Conservative and scores of Liberal volunteers to become directly-elected European MPs had better take note of a section of the EEC summit colloquy yesterday, overlooked in the communiqué. A report of a European Parliament committee proposing up to £30,000 a year as a Euro-MP's salary, with tax concessions and staff provided, is clearly premature.

From the chair, Mr Callaghan apparently led the discussion subtly in that direction. Immediately President Giscard and Herr Helmut Schmidt damned such lavish salaries and perks as intolerable.

As the exchanges developed, my informant at the conference reports, it became unquestionable that the directly-elected Parliament, flushed as it may be with the democratic support behind it, will be required to take guidance on salary and the rest from the Council of Ministers—in other words, the executives of the national parliaments.



The percussion section of the London Bach Orchestra consists of Gary Keel and John Chisley

## Political kiss of death?

A strange thing about the Saffron Walden by-election is that the really local man, Oliver Smedley, who stood there as a Liberal in 1950 and now appears as the Anti-Common Market candidate with a bulldog as his mascot, is able to quote a commendation from Sir Keith Joseph, the king-pin of Tory policy making, and the great guru of the right wing of his party.

He said in his election address that in 1975 he received a letter from Sir Keith "for whose campaign within the Conservative Party for free enterprise and sound money I have a high regard".

To appreciate the setting in which Mr Smedley is fighting,

it must be emphasized that ever since the war (in which he was twice wounded and was awarded the MC) he has campaigned for cheaper food and free trade, and he left the Liberal Party because of its abandonment of traditional policies on this issue.

His platform does not have many planks, but those that there are are firm: "I stand for sound money, private enterprise, free trade and cheap food," says his election address. Sir Keith is quoted as having written: "I certainly admire and respect the perceptions you have had and the work you have been, and are trying to do, to help rescue the country."

"You have been crying in the wilderness for a long time. I only regret that politicians should be so tragically late," Crying like Sir Keith, perhaps.

The death of Magda Lupescu, mistress and at the end of his life, wife of King Carol of Romania, recalls a vanished world of Balkan intrigue. As a valdication, I offer a verse that was current at the time of her fame: So here's to Madame Lupescu. Who came to Romania's rescue. It's a wonderful thing, to be under a King. Is democracy better? I ask you?

## They also serve

Peter Fletcher is a super-opinionist and a super-publicist and I am not sure which quality predominates. I suspect it is the former.

Mr Fletcher is manager of the Baron of Beef restaurant in Gunter Lane in the City and since the first week in April he has had a table for 10 ready in case the Queen and her party drop in.

He wrote to Buckingham Palace, inviting Her Majesty to

dine ("on the best traditional English food") during her Jubilee activities. The invitation was not accepted. "But I didn't give up hoping," Mr Fletcher told me. He had the table prepared, with his best linen, choicest silverware, fresh roses, and a bottle of champagne on ice.

Every day he and his chef have waked out a menu "for a Queen". Every day the table waits.

But even his optimism has its limits. After this weekend the table reverts to the public.

## Fabulous four

Ladies and gentlemen, on the same stage, at one and the same time and without the use of mirrors—Fonteyne, Nureyev, Seymour and Makarova.

Have you got your breath back? Then let me plunge you into deep gloom, because there is not a dicker left for their historic Les Sylphides in London next week.

Historic, yes, perhaps not an unprecedented stellar line-up in the long history of this marvellous ballet. I am reminded that, living in London and now

92, is Karavina. Together with Nijinska, Pavlova and Maria Baldina, she made up the starring company which turned the Diaghilev production Paris in 1909 into one of the milestones of ballet history.

For Victor Hochhauser, the impresario behind next week's balletfest in London, having two great Russian dancers in Les Sylphides is partial compensation for no longer being able to afford the vast sums it would now cost to repeat his two spectacular but ill-fated attempts to bring the Bolshoi and Kirov companies to London.

## One man's testimony to fading hopes...

Dr Zdenek Mlynar lived for first six months of this with uniformed policemening up and down outside flat in Prague. All visitors to identify themselves answer questions. Many sent away, including practical foreigners. He was followed everywhere he went. As he talked, he was not who merely asked him the questions and interrogated and graphed.

His flat was bugged on telephone was either bugged out of order. A police car outside the door of his the whole time. He had work, and no income, a help from friends, not a sign of Charter 77, which for civil rights in Czechoslovakia, he was sacked from modest job as an emolument in the Prague museum.

Just over two weeks ago, he was arrested, and now has a job as a biologist in Vienna.

In 1968 Dr Mlynar, then 38, was in the top ranks of party leadership. He is a palaeontologist (entomology was a hobby), agreed to be one of the brains behind the real programme of Mr Dubcek, resigned his functions after Soviet invasion of Aug 1968, and was expelled from party in 1970. He remained central figure in the "social opposition", a loose group of people still hoping to chance to reintroduce reforms in a modified version.

Until recently he was spokesman of a possible system of the Russians, decided to permit this way of Czechoslovakia's impasse. In political terms he is the fore the most important figure to have come out of Czechoslovakia since 1968, and his decision to do so is a sad testimony to fading hopes.

On a visit to London publicize a thick and devastating dossier on Czechoslovakia he spoke to me, and later a press conference, about how had come to see the need for general democratization.

In 1968 he had been criticised primarily with reforming the system from above through changes in the party. He had been criticized for wanting to put limits on the press to protect the system against Soviet intervention. Until last year he still hoped this some kind of limited reform might be possible. He wrote a long book outlining his ideas, which seems to have been addressed at least partly to the Kremlin.

He thought the development of west European communism would make it possible to reopen examination of the Czechoslovak problem, and that the Russians might be given an opportunity to save face by blaming the invasion on the advice or false information from people such as Her Ullrich, East German leader at the time, or Mr Gomulka, then Polish leader, or M Shelest, since removed from the Soviet Politburo.

The manuscript was confiscated by the security police as he does not know if it ever reached the Kremlin. In the meantime Soviet policy has hardened, and it is still hardening. Nevertheless, he thinks the Russians still face a basic choice between relying on military force or seeking some kind of accommodation with politics realities in eastern Europe where he says the regimes live like parasites off the system preventing them from developing politically, economically or ideologically.

The Czechoslovak regime, he says, has practically no support in the country, which is why it is too weak to risk liberalization. Its fear of words show how weak it feels.

Dr Mlynar says that Charter 77 made forerunner of the understanding better the indivisibility of freedom. He not feels the most important thing is democratization from below. The struggle must be for a situation in which people have a chance to say what they want. Only then will they discover which parts of the communist system—such as nationalisation industries—they wish to keep.

Like the Italian communist he says he is willing to accept the possibility of a communist party being defeated in a free election.

Richard Davy



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## THE BROOKINGS CONSENSUS

The unusually quiet meeting of the European Council which rounded off Britain's six-month presidency yesterday is likely to be remembered chiefly for the statement on the Middle East issued on Tuesday. The statement is clearly a close relative of the one which the foreign ministers of the Nine approved, but decided not to publish, as long ago as January 31, and which was subsequently leaked to the Cairo newspaper *Al-Ahram*. Like that one it proceeds, after recalling earlier statements on that subject, to affirm that "a solution to the conflict in the Middle East will be possible only if the legitimate rights of the Palestinian people to give effective expression to its national identity is translated into fact", but this time the sentence concludes with the words "which would take into account the need for a homeland for the Palestinian people".

The Community has thus aligned itself closely on the position of President Carter, in whose pronouncements on the Middle East the phrase "a homeland for the Palestinians" has become something of a leitmotif. In January 31 President Carter had only just taken office, and Mr Cyrus Vance was about to make his first tour of Middle Eastern capitals. The new administration's policy was as yet unformulated and several European governments—namely those of Britain, the Netherlands and West Germany—were persuaded by discreet American representations that a public pronouncement from the Community at that stage might complicate Mr Vance's task. But it appears that after his meeting with Mr Rabin in early March Mr Carter became convinced that Israel would have to be softened up by a series of public statements if there was to be any hope of bringing it round to the kind of settlement which even the most moderate Arabs would accept.

On this as on other issues, the President has sketched out his policy in a somewhat impressionistic manner, constantly retouching the picture and

appearing at times to contradict himself. As the emphasis has shifted, the hopes of Arabs and Israelis have alternately been raised. But a coherent and balanced whole has gradually emerged, which bears a close and certainly not coincidental resemblance to the report produced in December 1975 by the Brookings Institution study group. (The group included two men who are now among the President's senior foreign policy advisers: Dr Zbigniew Brzezinski and Professor William Quandt.)

Among the conclusions of the Brookings group now reproduced as part of what appears to be a Carter Plan are the following:—replacement of the "step-by-step" process by the negotiation of a comprehensive settlement; withdrawal to agreed boundaries and establishment of peaceful relations to be phased over a period of years; peaceful relations to be understood as including "normal international and regional political and economic relations"; Israel, to withdraw by agreed stages to "the June 5 1967 lines with only such modifications as are mutually acceptable"; Palestinian acceptance of Israel's sovereignty and integrity within the agreed boundaries in return for recognition of a Palestinian entity, whether independent or "voluntarily federated with Jordan but exercising extensive political autonomy".

The principal new elements introduced by Mr Carter into the Brookings scenario are a strong preference that the Palestine entity be created within Jordan rather than as an independent state, and the suggestion that Israel might be allowed to retain defence lines beyond the borders within which her sovereignty would be recognized. Both these points proceed partly from a desire to meet anxieties about the Brookings formula expressed by Israel and her American supporters, but the preference for a "Jordanian" solution to the Palestine problem may also reflect a change within the Arab world. The PLO's defeat by

Syria in the Lebanese war has encouraged several Arab states to urge the establishment of political links between Jordan and the PLO and makes it more likely that the PLO will eventually agree to accept this.

The Arab states will less easily accept a permanent Israeli military presence on the territory which is recognized as theirs. Mr Carter seems to realize this, and has been further adjusting his formula. Thus Vice-President Mondale, in his important San Francisco speech a fortnight ago, spoke of "separate lines of defence or other measures that could enhance Israel's security", and mentioned the "existing arrangements in Sinai and the Golan Heights (ie, UN-supervised demilitarized zones with or without American-managed early warning stations) as examples of the sort of things he had in mind.

All this belongs to a quite different world from the views of Mr Menachem Begin. Mr Carter and his advisers, like the rest of the world, were taken by surprise by Mr Begin's election victory and appeared at first uncertain how to react. But the cool, firm tones which are now again being heard from Washington suggest that they have come to the conclusion that their world, the world of the Brookings Report, is the real one in which Israel, even led by Mr Begin, has somehow to find its place. The alternative is to leave Mr Begin in his dream world of "liberated" Israeli territories (the West Bank and Gaza) in which more and more Jews are to be encouraged to settle—a course which is bound to lead sooner or later to another war.

The United States does not want this. The European Community does not want that. Nor do any of the "front line" Arab states want it. Mr Begin, who is to visit Washington later this month, thus finds himself facing an unprecedented consensus among Israel's friends and neighbours. That is something of which Israel can hardly not take account.

## NEW THOUGHTS ON LONDON

Protestations are not always a safe guide to performance, of course, but out of the current outpouring of official and unofficial comment on the problems of the inner cities some signs of consensus have appeared. It is a consensus shaped partly by a faltering confidence in the effectiveness of grand designs for alone availability of money to finance them, but it gives some promise of political continuity and of improved cooperation between different levels of government. But it is also partly formed by resistance to past errors, and since those errors also spring from a wholehearted desire to combat the pervasive evils of urban decay, it is worth taking care that the new ideas are applied with a close eye to their real effects.

The penitential official line admits the vision of a Wellesian city of tomorrow, with everything orderly and new caused planners to do extensive and extensive damage to existing social and economic patterns. Now the emphasis is rightly on rehabilitation, encouragement of small industry, discouragement of motorways and respect for community structures. On the whole these changes have meant a greater shift of attitudes in the Labour Party than among

Conservatives. The recent Inner Cities White Paper even urges local authorities, seeking to attract industry and commerce to set about it in an "entrepreneurial" way—a novel addition to the socialist virtues.

Tory preconceptions have shifted too. When Mr Peter Shore committed £1,000m of public money to the inner cities recently, the first reaction of his Opposition shadow was to declare that it was not enough. A pamphlet published yesterday by six London Conservative MPs identifies public transport as the key to successful transport policy, and even takes up the trendy call for cycle tracks, but on the whole the new consensus fits in comfortably with liberal Tory ideas. The small workshops frowned on by tidy planners are seen as the seedbeds of the entrepreneurial spirit, and the risibilities of public housing policies are seen as among the manifestations of over-government that impel young skilled workers to move away.

The metropolitan vantage-point of the writers seems to give them some misgivings about their party's views on the rights of council tenants to buy their own dwellings. The extremely high cost of land in inner London makes new council house build-

ing prohibitively expensive there. A policy of uncontrolled sales might easily create a situation where lower-paid workers in service industries, who need to live centrally, would have no accommodation available to them except that part of the stock which is so repulsive that no tenant would ever buy it. The writers suggest that councils should merely be encouraged to sell off a third of their stock over ten years at their own discretion.

The general direction of the new consensus is a healthy one. But there are many questions still unanswered by Mr Shore and not even touched on by the six London MPs. Perhaps the most immediate of them surround the proposed cooperative arrangements between central and local government for administering urban programmes. The record does not suggest that these will always run harmoniously or efficiently. And the dispute that has fallen on grand planning is attended by its own dangers of short-term palliatives, small pragmatism, and too little appreciation of the profound and not wholly reversible social changes that are affecting London, Liverpool, Glasgow, and other aging metropolitan areas like them all over the world.

## PRISONERS HAVE THEIR RIGHTS AS WELL

A defendant who appears before magistrates charged with an offence in which he could be sentenced to imprisonment is likely to have the benefit of legal representation. He would have the right to call whatever witnesses he wished and, through his lawyer, to cross-examine prosecution witnesses in his favour. The hearing would be public, and the press would be there to report cases of serious injustice or unfair trial. A defendant himself would usually accept that the magistrates trying the case would act their verdict impartially. A prisoner who appears before a prison board of Visitors for a disciplinary charge can, in fact, be sentenced to a term of imprisonment greater than at which magistrates can impose. The Board, if it finds a prisoner guilty, can order him to lose remission, usually to a maximum of 180 days, in some cases more. The loss of 120 days is the equivalent of a month's prison sentence, of which normally six months would be served.

In proceedings before a Board of Visitors, however, a prisoner

is not entitled to legal representation or assistance. He can only call witnesses with the consent of the Chairman of the Board. Reluctant witnesses (as many fellow-prisoners might be) cannot be compelled to give evidence. There is no right of appeal to any independent body or court, only the right of petition to the Home Secretary. Perhaps most seriously, it has become increasingly clear that prisoners do not consider the Board of Visitors as impartial and independent. Appointed by the Home Office, they are largely regarded as being part of the prison establishment, closely associated with the prison Governor.

Professor Terence Morris's address yesterday to the State of Prisons conference in Canterbury was not the first time the issue has been raised. In 1975 a Committee set up jointly by the National Association for the Care and Resettlement of Offenders, the Howard League for Penal Reform, and Justice, chaired by Lord Jellicoe, published a report on the functions of Boards of Visitors which recommended, *inter alia*, that serious offences against prison discipline which could be punished by substantial

additional loss of liberty should be heard by an independent body of experienced adjudicators, consisting mainly of senior lawyers, appointed by the Lord Chancellor and not the Home Office. The Committee also called for the proceedings to be governed as far as possible by the normal rules of natural justice.

There are, of course, a number of factors which would make it impossible to duplicate exactly a trial, with all its attendant safeguards, within a prison. The public and press, for instance, could not be there. But when serious disciplinary allegations are made, which could attract a considerable increase in the prison sentence, there is no good reason why, for instance, legal representation and the unfettered right to call witnesses should not be allowed, or why the adjudicating body should not be more obviously, especially to the prisoner, independent of the Home Office and the prison establishment. Proposals on the lines of the Jellicoe Committee's do not amount to being soft on prisoners. They merely give them some—not all—of the rights to which anyone faced with the possibility of a prison sentence should be entitled.

## COMPULSORY SEAT BELT

Dr E. H. Bateman

Would Mr Bryan Magee's June 19th plea justify or retract the indubitable statement that "unbelted drivers are directly responsible for violent killing, blinding and maiming of other individuals"? I am an unbelted driver, because I had tried driving with

seat belt (purchased 13 years ago as an optional extra) I decided that it would increase the probability of my having an accident. But I insist on my front seat passenger wearing the seat belt, due to the risk of him or her being thrown into the windscreen in the event of an emergency stop with servo-assisted four-wheel disc brakes.

Mr Magee's intemperate and

untenable proposition does nothing to advance the interest of accident prevention which he is so obviously keen to promote.

Yours faithfully,  
E. H. BATEMAN,  
Sandyridge Cottage,  
Upper Bourne,  
Farnham,  
Surrey.  
June 16.

## New opportunity in Ulster

From Mr John D. Taylor

Sir, In 1972 the Heath Government suspended the Northern Ireland Parliament and introduced direct rule as a temporary measure. Parliament will soon be requested to extend direct rule for yet another year. As always it has been easier to destroy than to build up in Ulster.

However, democracy cannot be held in suspense for much longer in Ulster and luckily a changed political scene both in the province and in the Republic of Ireland presents a new opportunity for the British Government to create a lasting solution to the present impasse in Ulster.

In last month's Ulster local elections 75 per cent of the electorate voted in favour of Ulster's constitutional position within the United Kingdom. Clearly the only two possible political solutions are (1) Devolved government at Stormont or (2) Fully integrated government from Westminster. The former solution is supported by Ulster's four main political parties—the Official Unionists; DUP; Alliance and SDLP.

The British Government has hesitated to introduce devolution as it feared one-party rule and/or the exclusion of Catholics from government. The reasons for these fears have now been removed if one examines the changed voting patterns as shown by the recent local election results. First, although some 40 per cent of the electorate is Catholic, the SDLP only manages to attract the support of 20.6 per cent of the voters. Thus, Catholics are voting for other parties and indeed are being elected as representatives for other parties. Secondly, on the basis of the local election results there would be no one party with an overall majority in a 78-seat legislature at Stormont. The largest party would be the Official Unionists with only 25 members and so they would have to form a coalition with other parties such as the Alliance Party which would have 12 seats and a considerable Catholic membership including its leader, Mr Oliver Napier.

The Unionists would not invite the SDLP into such a coalition government; as they, contrary to the alleged intention of 75 per cent of the electorate, wish to take Ulster out of the United Kingdom. However, their exclusion is political and it does not prohibit Catholic representation from other parties in a Stormont coalition government as is shown above.

The new Prime Minister in the Republic of Ireland, Mr Liam Cosgrave, has also expressed himself in favour of a new initiative. The government would be unwise to play shy of the new opportunity to achieve agreed democratic devolution for Ulster. If they fail then Ulster's majority will soon be so small that devolution is impossible and will redirect their energies towards full integration of the province into the United Kingdom. Six years of direct rule without democratic rights is too long!

Yours faithfully,  
JOHN D. TAYLOR, former Minister of State for Home Affairs, Northern Ireland.  
Mullinacree,  
Armagh,  
Northern Ireland.  
June 28.

## Cambridge conspiracy

From Mr George Rylands

Sir, Newspapers thrive on their readers' implicit faith in the adage: "No smoke without fire"; a faith made effectual by the pernicious suggestion that if you know enough about someone, it must stick. Since the dead cannot be libelled, it is perfectly safe after 16 years to tip a load of muck on to a grave.

Your smug and shuffling apology coolly allows that Donald Beves is entitled to a presumption of innocence, generously giving him the benefit of your doubts. Who told you that he was guilty? What evidence that "he knew them all"? I do not believe it—except fortuitously. Hundreds of Cambridge persons knew one or all of the three. The meaningless phrase is a repeated insinuation.

Were *The Times* to make an ex gratia payment of fifty thousand pounds to the Chapel Funds of King's College or the Fitzwilliam Museum, the evil smear can never be erased.

Beves was an addict of *The Times* crossword and the novels of Agatha Christie. Is this your evidence?

Yours faithfully,  
GEORGE RYLANDS,  
King's College,  
Cambridge.  
June 29.

From Philip Longworth

Sir, Your second leader today (June 29) makes several valid points about the difficulties of editors in attempting to deal with matters concerning security. Now, having explained your failure to produce evidence in support of your allegations about Beves, perhaps you would be good enough to present the evidence which leads you to reverse your original judgment.

Yours faithfully,  
PHILIP LONGWORTH,  
38 Canonbury Park North, N1.  
June 29.

## Old Morris Workshop

From Mrs Dorothy Silberston

Sir, Professor Wits writes (letter, June 18) that Lord Nuffield had a "good sense of architectural fitness". The Morris Garage was designed to meet his requirements and purpose built for him. In these circumstances Lord Nuffield can hardly have thought it as hideous as Professor Wits does.

Yours faithfully,  
DOROTHY SILBERSTON,  
Nuffield Place,  
Nuffield,  
Near Henley-on-Thames,  
Oxfordshire.  
June 19.

## Putting the news in perspective

From Mr Stephen Parkinson

Sir, Brian MacArthur's article (June 29) on selection of news and his comments on the televised clashes at Grunwick were timely. In January, 1958, you published a letter from me about the intrusive dangers of television. I wrote as a post-war labour correspondent who, with the rest of the pack, had been used to reporting disputes unobtrusively, often anonymously, and, may one say, judiciously, weighing and distilling the facts. We applied similar standards on the radio.

But once the TV camera arrived a new era of instant communication began, and—as one feared—"actuality" instead of bringing out the essential facts diverted attention from them. People in all walks of life became stars, familiar figures in millions of homes if they could capture the attention of the new sensation-seeking mass audience. What they had to say was less important than their projection of themselves, and now, of course, a "TV image" is essential to success and public acclaim.

If some way could be found of banning the TV cameras and microphones from the Grunwick works area the attendant MPs, union leaders, college lecturers, students, and other band-waggoners would disappear overnight; the public would lose interest; and the way would be open for calm negotiation.

As Brian MacArthur implies, the real issues and complexities of the dispute are of minor interest, and so besotted is the public with the clashes that nobody notices the absence of any reporting or filming within the factory. Perhaps Mr Ward refuses facilities. If so it is no credit to his case.

There is, however, a deeper danger in Grunwick than the opportunity it affords for vote-catching personal appearances. It has become a kind of national theatre where the performance of such performances displaying turgidity, the power of the mob and the dissolution of social order. The nation stays on tenterhooks to watch the next orchestrated round of violence. This is the real danger. Crime becomes heroic and the people want to see the police, as Mr MacArthur noted, the police led to massive press coverage, but would it have been blown up so much without the TV coverage?

So the crescendo rose to the stage of requiring statements by the Prime Minister, no less. This is absurd: no-one could claim that the right of workers in Britain to belong to a union is today in such peril that a minor dispute must occupy Parliament and endanger the rule of law. By escalating the affair to the level of a national crisis we play directly into the hands of the mobsters and disruptive political groups to whom persuasion means putting the boot in.

The yardstick for the media nowadays is that the public must be given what it wants and the assumption is that the public wants sensation. This is the real bias of the media—not prejudice or lack of

space—and it is a bias induced by following television's lead.

Yours faithfully,  
STEPHEN PARKINSON,  
Court Mead, Chipstead, Surrey.

From Mr George Lakos

Sir, Your Home News Editor's article about editorial selection and the reporting of industrial relations interested me greatly, as I used to be a news editor in Eastern Europe a long time ago.

I was amazed to see the wide variety of the free press, when I came to England in 1956. I saw the "roses" of the world press, together with the popular "weeds". The news supply in Hungary was always biased and strictly selected before it reached the editor's desk. The all-telling Western newspapers were kept under locks in strongrooms (literally). Industrial relations did not exist, as intending strikers were not allowed to meet together with the newspapers before they could start a strike in the country under communist government. So when I first saw the British quality newspapers, I thought that the Eastern European counterparts were children's magazines compared with them.

I have admired *The Times* well balanced pages ever since. I used to like *The Guardian* too before its last period, when it became more "trendy" and "trendy" for the joy of gay guys, unfeminine dolls, and other fashionable groups.

The so-called "popular" papers are mostly really just papers today and not newspapers. Their real bias is giving only the sensation and withholding the hard news.

Mr Brian MacArthur explained why the TV news bulletin must show exciting films rather than talking heads and why it is therefore unable to give balanced views. I may suggest that the TV news should continue to show the films of fights if that is necessary to keep alive the interest, but at the same time the commentator should speak not about the fine details of the fighting, but about the cause of the grievances on both sides. So, for instance, while showing pictures about the Grunwick factory siege, the commentator could tell that the 250 active workers in the factory do not want to be dismissed to any union, but the 46 student workers plus demonstrators who travelled from faraway places, wish to show them forcefully that a trade union would be good for them. (If this sounds too strong, it could easily be put right, or a little "left", by the TV editor.)

The popular papers could also continue to show the "so necessary" violent pictures and headlines, but they could write underneath the pictures both viewpoints in one or two sentences for each side.

I think this method would help to give a wider view to millions of people who do not read the quality papers. This could be regarded as a further improvement for the otherwise so great British press.

Yours faithfully,  
GEORGE LAKOS,  
21-24 Chiswell Street, EC1.

## Journalists' closed shop

From Mr Bruno de Hamel

Sir, Philip Kelly (June 29) would have us believe that Bernard Levin is not a typical trade unionist, and he is right. Levin attends branch meetings regularly, speaks at them with moderation but great effect, and works hard as a member of our branch committee. As to his financial qualifications for membership, it must be assumed he satisfies the union's rules on earnings, otherwise he would not have been admitted. What Philip Kelly seems to object to is Levin's success. This is silly and irrelevant.

Philip Kelly goes on to accuse Bernard Levin of intervening in the union, as if to take an active part in union branch affairs was some sort of crime. He goes further, blaming Levin for provoking bitterness and disunity.

Certainly there has been bitterness in the London Freelance Branch of the National Union of Journalists, caused not by Bernard Levin but by those like Philip Kelly who, on resolutions such as that pledging branch support for the military/communist regime in Portugal, this member, was the gang that month after month defied the people of Portugal's election of a new democratic party. It was this kind of thing that provoked bitterness and anger and, finally, the active "intervention" in union affairs of Bernard Levin and hundreds of other working journalists.

In our branch, never so active and well attended as it is today, bitterness and anger persist. Why, you may ask, now that moderates predominate on its committee? Because whenever there is a resolution calling for censorship of news of which there were four at our last Annual Delegate Meeting—on Northern Ireland, the National Front, South Africa, and Chile—who are those who vote for it, cheering as they raise their cards? Philip Kelly and those of his persuasion on the lunatic far left.

When journalists ponder the issue of the closed shop and who they want as their next General Secretary, both very important in their eyes, they will not, I think, be so foolish as to vote for their own extinction.

Yours faithfully,  
BRUNO DE HAMEL,  
35 Lennox Gardens, SW1.  
June 29.

## Old Morris Workshop

From Mr Michael Bower

Sir, I am grateful to Bernard Levin for identifying the sources of the statements he attributed to me in his column of June 17 and which he repeated today (June 28).

However, in his never-mind-the-facts-let-us-get-on-with-the-smear anxiety to stop me from becoming General Secretary of the National Union of Journalists, he has paid little regard to the truth.

His assertions that I refused to be "trapped into negotiating a press freedom code with untrustworthy employers who have no real interest in the subject, and that I insisted that the British Press is not free—are, Levin reveals like a trump card, quotations from an article I

wrote in *The Journalist* two years ago.

Unfortunately, he does not reveal the full context of the article which was written soon after the Annual Delegate Meeting of the Union in Cardiff had debated press freedom, closed shops and related subjects.

What I wrote was: "ADM decided it would not get trapped into negotiating a press freedom code with untrustworthy employers who have no real interest in the subject."

"By the very campaign they have waged against the Union—before and after Cardiff—newspaper owners and editors have shown that the British Press is not free; it is in their control and they are prepared to use it exclusively in their own interests."

Having been one of those who actually did take part in the negotiations on a press code—rather than simply standing on the sidelines sniping as did *The Times* and Levin—I have had my 1975 views about the press employers' motives strengthened.

But my letter printed on June 27 did far more than simply challenge the validity of these statements, and I note that Levin is unable to comment upon those other issues.

Of course, it is not the facts which matter to Levin. What he is really accusing me of is simply being to the left of the other five candidates in the election which he is seeking to influence.

To put him out of his misery I am happy to confirm that that is precisely the case and that I am also to the left of Mr Levin. Mrs Thatcher and Sir Keith Joseph.

I am also, I am happy to say, the only candidate unopposed by any support from Bernard Levin.

Next, in view of the urgency specified in Levin's latest column, that this will be published as speedily as was his reply to me.

Yours sincerely,  
MICHAEL BOWER,  
National Executive Council, NUJ,  
8 St Quentin Drive,  
Bradway,  
Sheffield.  
June 28.

## EEC balance-sheet

From Mr Austen Albu

Sir, Lord Kaldor and Professor Neill call in aid Friedrich List to support their argument that Germany should lower its exports to us (by reducing its industrial competitiveness?) or we should leave the European Community. Do they believe that the nationalist protectionist policies advocated for a still divided and unindustrialized Germany in the nineteenth century are suitable for Britain today?

They must spell out their proposals in more detail before their relevance to our present position can be understood.

Have they forgotten that because List understood the importance of a large market for an industrialized nation he proposed the Zollverein?

Yours faithfully,  
AUSTEN ALBU,  
17 The Crescent,  
Keymer,  
Hassocks,  
Sussex.

## House of Lords reform

From Lord Boyd Carpenter

Sir, It is depressing to see in your issue of today that the Labour Party Working Party should be seeking to revive basically the same proposals for a reformed House of Lords as were contained in the Bill of the House of Commons in 1968. You, Sir, will recall, this measure although included in the Queen's Speech and officially if somewhat languidly supported by the Opposition Front Bench, failed to stand up to analysis when subjected to debate in the House of Commons and foundered ignominiously. The Commons and the House of Lords, prominent in bringing its many defects to light was a lesser person than the present Lord President of the Council and Lord of the House of Commons.

The basic defect of the 1968 Bill was the present House of Lords, as the suggestion that your rights in the House of Lords should be confined to loyal party hack selected by the political organisations on the basis of the reliability as voters. All the other members of the House would be the futile and humiliating position of being unable to back their voice with a vote. Moreover, the deliberate fixing of the numbers of voting Peers in relation to the strength of parties in the House of Commons must in the nature of things deprive the Upper House any real freedom of action judgment.

Both the strength and reputation of the present House of Lords is very much connected with the fact that it includes in its membership Peers equipped with unchallenged experience, almost every human activity who can add to turn up to speak and vote when matters on which they are expert are before the House, but who do not feel under any obligation to turn up and vote lobby fodder for any political party. It is this characteristic which enables the House to bring unparalleled expertise to bear on public issues without tying it to a rigidly to the disciplines or loyalty of the party system. Whether the House is to be a debating chamber or a tribune would really be of no interest to turn up and contribute when they knew that their view would be voted down by a salary party phalanx as at least doubtful. What is beyond doubt is that such a situation would greatly diminish the prestige and standing of the House. Perhaps that is what the Labour Party Working Party really want!

It would also be contrary to efficient working of Parliament a whole to eliminate Peers by succession. The operation of the hereditary system provides a number of young Peers who give excellent service in what would otherwise be in the nature of things somewhat elderly body. Any one with experience of the press House knows for example how much both Front Benches depend for the routine operation of our young youthful hereditary Peers who abolish them and cut off the flow of young members of the House, deference simply to blind prejudice against the hereditary system would be a highly retrograde step which would again diminish the reputation of the House.

I am not arguing that there are no improvements which could be fully made in the membership of the House. As I argued during the debates on the 1968 Bill in the Commons, there is a strong case for adding to the House of Lords religious faiths to the Anglican bishops who are ex officio members and for including ex officio holders of a number of key positions in our society such as the General Secretary of the TUC or the Governor of the Bank of England. But in the present state of our economy and of our country there are many far more urgent directions in which action needed than tinkering with the House of Lords. And even in the constitutional sphere I look for more interest in the interests of equity and of democratic principle to reform the membership of the House of Commons, as to correct the over-representation of Wales and Scotland rather than in fiddling about with our House which is really working quite well.

I am, Sir, your obedient Servant,  
BOYD CARPENTER,  
House of Lords.  
June 30.

## The guardsman case

From Mr David Walder, MP for Clitheroe (Conservative)

Sir, In 1949 in Kuala Lumpur, a soldier in my regiment, who drank, took and drove away a motor car, was sentenced to death.

The soldier was almost entirely unknown to me, nevertheless I went by the adjutant, as a junior officer to assist the civil court as a witness.

A kindly Indian magistrate told me that, apart from being able to produce the Record of Service, was quite inadequate as a witness to speak to the character or to offer an authoritative opinion on the future military career of the accused.

Fairly elementary points, surely! customarily dealt with in so detail before courts martial, but seemingly not observed by the Court of Appeal nor the House of Lords in the case of Guardsman Holdsworth.

Yours sincerely,  
DAVID WALDER,  
House of Commons.  
June 26.

## Chico's cry

From Mr Arthur H. Shearing

Sir, Respectfully, I must correct Spike Hughes, who is obviously dedicated Marxist, in his reference to Chico's cry in *A Day at the Races*. It was "Tutti-frutti-ice-cream", not "Tutti-frutti".

I am, Sir, yours faithfully,  
ARTHUR H. SHEARING,  
7 Rose Hill,  
Dorking,  
Surrey.



BUCKINGHAM PALACE  
June 30: The Viscount Co

**Corps of Commissioners**  
The Administrative Board of Governors of the Corps of Commissioners held their annual meeting on June 29 at the Royal Commonwealth Society. The President, General Sir Dudley Ward, presided. The board adopted the 1975 report and accounts for 1975 and took note of the successful work of the Corps Headquarters. New premises at 3 Crane Court, Leam Street.

25 years ago  
From The Times of Tuesday,  
July 1, 1952  
From Our Diplomatic  
Correspondent  
The fall of Hilali Pasha's govern-  
ment in Egypt had been preceded  
by reports that it was under pres-  
sure for internal reasons. There  
is no disguising the considerable  
back which it has caused in Lon-  
don, the suggestion made by the  
Minister of Propaganda in the late  
government that Hilali Pasha's  
position had been undermined by  
an intrigue between the strongly

nationalists. Wafd party and the United States Embassy is regarded by serious observers of Anglo-Egyptian affairs as figure-skating although similar unfounded but persistently publicized suggestions that the Wafd have been approached by the western powers are possibly gained some credence in Egypt and may have helped to weaken Hilafy. Pascha's position, Hussein Sirry Pascha, the new Prime Minister, was head of the caretaker government which was formed in 1949 but no elections that year, after which the Wafd was returned by a large majority.

**Launders' Company**  
The Launders' Company has  
the following officers for  
the ensuing year: Master, Mr A.  
Candacy Senior Warden, Mr B.  
Goodfille Renter Warden, Mr P.  
Macdonald.

**Latest wills**  
**Mathew Flora Martree**, of Bristol, 25,085 net. She left all her property to the League Against Fuel Sports.  
**John Spinks**, of Bristol, 1,000 net. His estate included (net, before tax paid; exact not disclosed):  
**Dr. C. H. Horace**, of Kew, Bristol, 1,000 net. He left his estate to the Bristol Pharmaceutical Society.  
**Ercole**, 1,000 net. He left his estate to the Bristol Pharmaceutical Society.  
**Mr. Lucian Randolph**, of High Wycombe, chairman of Ercole, 294,655 net.  
**Mr. Wilfred**, of Upwell, 245,147 net.

Whether some property of a system is largest or smallest at a particular state is important, to be able to say whether or not there are such maximal or minimal states even if one cannot calculate them exactly. This the classical methods cannot do. The problem of the existence of stable planetary orbits is in this category.

Mr. James Canwy Morgan, who died on June 24 at the age of 57, was a former head of the Mediterranean Department, Commonwealth Relations Office and later Assistant Under-secretary of the Dependent Territories Division Colonial Office.

... an Engineer, Cambridge, served in the Royal Engineers abroad in both world wars. He was seconded to the Ordnance Survey in 1935 and again from 1945. He married in 1931 Negehrud Kitchin, of Harrogate, who survives him with their two sons.

Squadier Frank Jones CBE, of Royal Signals, and former Phone Manager of Birmingham, died on June 21.

of the

The following results Cambridge University trials are published

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|-------------------------------------|------------------------------------|-----------------------------------|---------------------------------|---------------|
| Bell, Worthington and John B. G. H. | Raberdashere Aske's S and Iris H.  | Williams, Priory, Shrewsbury, and | Parler, St Dunstan's and Clare: | K. P. van Ang |
| Cornia, High Wycombe RGS and Femor: | A. J. Murrell, Uxbridge's and Jon, | Churnill; J. M. Winter, Elyhan C. | C. A. F. Perkins, Bethany, and  | Hugh          |
|                                     |                                    | St Albans, St Albans, NY          | G. W. Steinhorn, A. Scaldas and | K. F. Ware,   |
|                                     |                                    |                                   | Clare:                          |               |

Princeton, and  
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**Sciencereport**

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# AGRICULTURAL PROPERTY

a Special  
Report

## Legislation preserves land as excellent security

by Michael Hanson

For all the talk of the agricultural crisis, the fact is that the world may have to face a shortage of food. In years to come, historians may wonder why the United States spent so much time discussing world energy resources (and, in an elitist way, the quality of the environment) instead of making the supply of the most basic human necessity, food, more secure. Half the world has been trying for so long that the other half has become concerned about the fact, but it is when the rich industrialized countries begin to die there will not always be surpluses for them to import from other countries. They may decide hurriedly to do something sensible for everyone's sake.

The rumblings of reason are already beginning to be heard in high places in Britain. In May, the Agriculture Economic Development Committee published a report on land use in the 90s, which advised the government that "doubts and reservations about the long-term availability of agricultural land make it imperative that every effort should be made now to ensure that land losses and surrenders are minimized". That committee under the chairmanship of Sir Roger M. G. Jones, a former chairman of the Central Council for Agricultural and Horticultural Cooperation, included representatives of landowners, farmers and farm-workers, as well as of central and local government. It made the point that, in

the past, losses of agricultural land have been made good by growth in farming productivity, but there are now doubts about future growth. All this is but a prelude to the point that farmland is so vital to our future wellbeing that its attraction as an investment remains undiminished by recent and proposed legislation. The Agriculture (Miscellaneous Provisions) Act, 1976, which extended the rights of succession to surviving relatives of tenant farmers, and the Rent (Agriculture) Act, 1976, which gave security of tenure to farm-workers in tied cottages, are now seen to be elementary extensions of human rights that should do little harm to agricultural prosperity in practice, however much they may seem to in theory.

### Landlords still retain some protection

It is true that tenanted land may now be worth up to 50 per cent less than similar land with vacant possession, but this is less a reflection of the effect of the new legislation on rights of succession than it is a reflection of the fact that the restoration of the differential that always used to exist before the boom years of 1972 and 1973, when investors became so anxious to acquire farmland of any kind that it seemed to make little difference whether the farms were vacant or let. The right of succession to a farm tenancy in England and Wales is not automatic. Close relatives still have to apply to the Agricultural Land Tribunal, which is required to decide whether they are both eligible and suitable, having taken into account any case that the

landlord may have for gaining possession. An application for succession must be made within three months of the tenant farmer's death, and it is possible for a tenancy to pass only twice by succession under the Act. Most landowners have been happy to allow a son to succeed to his father's tenancy in the past, as long as he is competent as a farmer. This is why the statutory right of succession is less worrying in practice than in theory. The Agricultural Land Tribunal is bound to consider whether a relative is suitable to succeed to the tenancy, but even if the tribunal is lax in interpreting this condition, the landowner still has some protection. If a tenant farmer fails to comply with the terms of his tenancy, the landowner can obtain possession of the farm. One of the most important terms of a tenancy is that the farmer pays his rent, and it follows that if the successor is not as efficient as the original tenant farmer, he will not be able to pay the rent. From an investor's point of view, although the right of succession reduces the chances of getting vacant possession, the capital gain that can accrue if and when it does occur is an additional bonus. Even without it, an investment in farmland offers excellent security and a steadily rising income.

The security comes from the fact that, unlike other forms of property investment, farms are almost never unoccupied. There was a time, before the last war, when farming was at such a low ebb that tenants on arable land would sometimes walk off their farms. This is unheard of today. With this competition for

tenancies it is not surprising that farm rents on the occasion of a tender bid can be very high, far above the average of farm rents. Last year, for example, the average rent reached by tender on new tenancies was £54.17 a hectare (£21.93 an acre), which was an increase of 166 per cent on the previous year. Where the rent for new tenancies was fixed by agreement between the parties, the average was only £36.18 a hectare, but even this was 57 per cent higher than the previous year. Where farms have an advantage over other property investments is that the rents are reviewed every three years, whereas with shops, offices and industrial

buildings the rent review period is never usually less than five years, is often seven years and may sometimes be every 14 or 21 years depending on how long ago the lease was signed.

### Farm rents keep up with inflation

Last year, the average new rent agreed with sitting tenants was £30.45 a hectare, an increase of 42.2 per cent over the previous year. Where the new rent was fixed by arbitration, the average rent was £38.38 a hectare, an increase of 76.8 per cent. That shows how well farm rents tend to keep up with inflation.

Those are national averages, of course. They conceal the fact that the average rent paid by new tenants in East Anglia as a result of tender bids in 1976 was £102.30 a hectare (£41.42 an acre). With an average price of £34.2 a hectare (£13.4 an acre) paid for tenanted arable farmland in East Anglia last year that would suggest an initial yield of more than 12 per cent, but of course this was not the case. A typical initial yield would be 4 per cent, reflecting the greater security of an agricultural investment, and this would indicate a typical purchase

price of £2,357 a hectare (£1,035 an acre) for tenanted land of a quality that would attract a tender bid of £102.30 a hectare. It is these low yields that have made some institutional investors sceptical of farmland as an investment, though more and more of them appear to be overcoming their doubts as they appreciate that not only do the more frequent rent reviews enhance their yields, but experience suggests that the long-term capital growth of farmland exceeds most other investments. The low price of farmland in Britain compared with other countries is also attracting overseas buyers. One piece of recent legislation that has had some effect on agricultural invest-

ment is capital transfer tax, which does not perpetuate the 45 per cent reduction in estate duty that used to be given to landowners. Instead, the only concession under CTT is that full-time working farmers qualify for a certain amount of relief. This reduces the attraction of farmland as an investment for private landowners, though it does not affect corporate or institutional investors, since they do not die.

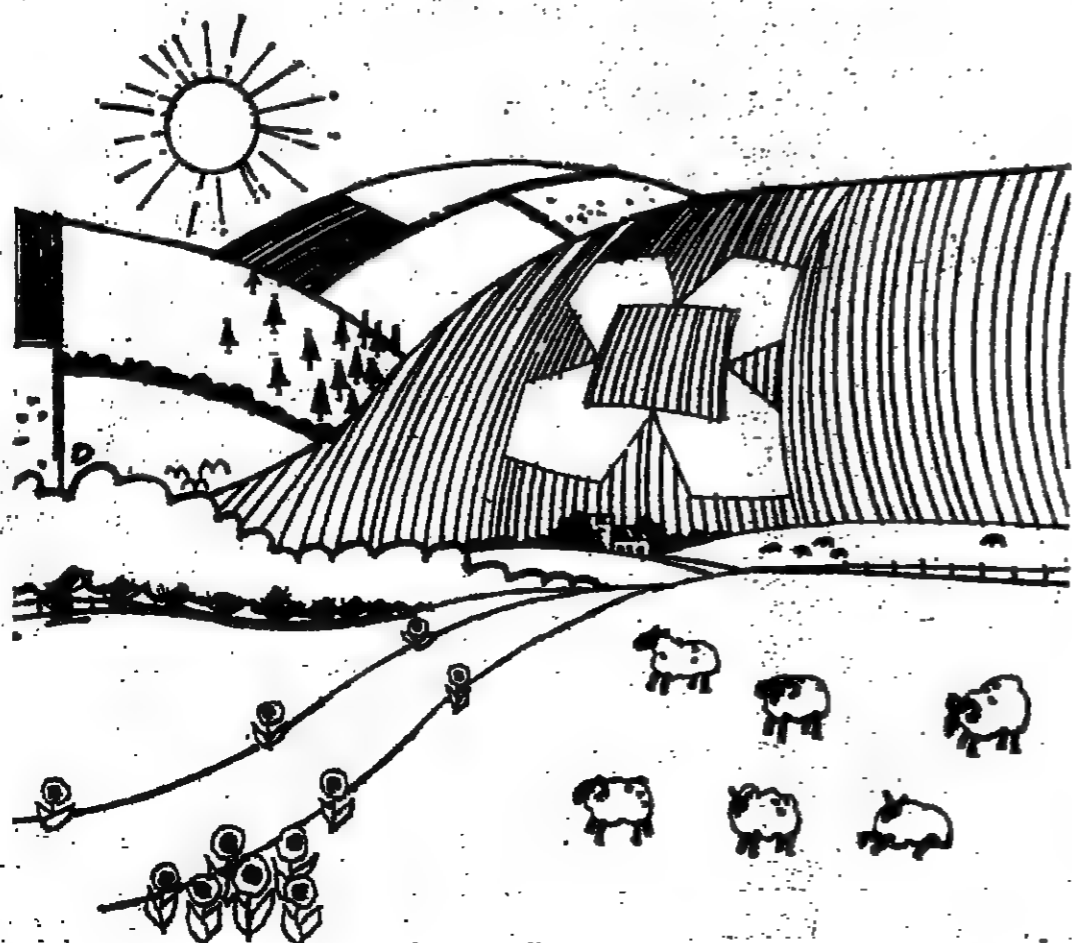
There are fears that CTT could result in farms being broken up and failing to attract purchasers other than institutions or the state. There are also fears that the attractions of owning agricultural land could begin to disappear if ever an annual wealth tax were

to be introduced, but this has been postponed. The greatest fear of all, however, is that the Government will nationalize farmland. This has not been taken seriously by many people, perhaps because of the enormous capital cost that would be involved, but as farmland becomes more precious and vital to our survival it is unlikely that there will not be some government interference with the system. All that can prevent it is a realization that the productivity of farming is likely to be greater if it is left in the hands of private farmers and institutional investors.

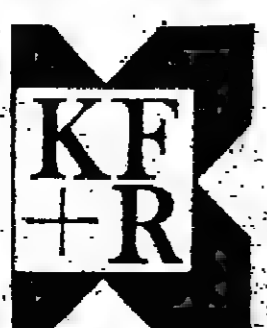
The author is property correspondent, Country Life.



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# A story of steady growth with a warning against too much optimism

by John Clayton

Such swirling publicity has recently surrounded the market in farmland that a restatement of some basic truths is not only necessary, but perhaps overdue. First, the countryside is not being taken over by a wave of European buyers.

Certainly British farms appear comparatively cheap, exchange rates add to the attractions and land is available in Britain in large and well-equipped blocks, but the overseas involvement is only a ripple in the main stream of the market. Undoubtedly some farms are being sold to foreigners, but a sense of proportion is essential: this is, after all, only the continuation of a long-established trend in which little interest has previously been expressed.

Second, the influence of the financial institutions is by no means as widespread as critics make out. Undoubtedly the weight of institutional finance for investment is considerable, but the purchasers are selective and their criteria strictly drawn. The Country Landowners' Association's most recent survey indicates that only 6 per cent of the 13,800 acres covered was bought by financial institutions, which hardly argues a rush into land irrespective of price and quality. Nevertheless institutional activity undoubtedly influences the market. The prices the City pays for what is often the best available land strengthens the overall level, as well as setting the pace in the specialised leaseback and tenanted-estate sectors. And the mere fact that the institutions are buying — irrespective of what they are buying — underlies confidence in land investment as a whole.

So who is buying land, and what prices are being paid? The industry of Agriculture figures show that in most transactions the purchaser is an individual — usually a farmer — and not a company or institution. In the year ended September 30, 1976, for example, individual purchasers were involved in more than 5,300 deals worth about £157m; the institutions, in contrast, made 50 purchases valued at £13.6m.

A study of land sales, moreover, often shows the neighbouring farmer as the successful bidder. There are a variety of reasons for this. Despite pleas of poverty so often advanced by the agricultural lobby, farm incomes have increased in both real and nominal terms. And where a farmer is looking to expand because he has excess resources of equipment, labour or management, the extra net revenue obtainable from additional land may be very high, a fact reflected in the prices paid.

Scarcity and the unique quality of each individual property also have their effect. A farmer may only have the chance to buy adjacent fields once in a lifetime, and the sharp competition between neighbours, so often a feature of farm sales, emphasises that farmland is not a uniform commodity to be viewed objectively, but something which generates an intense personal involvement. This involvement means that average prices must be interpreted cautiously, for although the averages are the

only reasonable guide, to trends they are themselves an amalgam of individual decisions, some logical, some wildly illogical. If, as the accompanying table has undoubtedly shown increases since the turn of the year, and are now probably running at more than £800 an acre. Top quality farms are making over £1,000 an acre in many cases, a level which is also being reached for plots bought for expansion.

As the table shows, the pattern of values since 1950 is one of steady and sometimes extravagant growth. In only seven years have prices been below those of the previous 12 months, the overall increase during the period averaging 11.3 per cent a year. Using constant (1950) prices, rather more complex picture emerges: in these terms 12 years show values below or equal to those immediately preceding. Nevertheless, the constant price approach indicates an average 5.4 per cent annual increase since 1950, even allowing for the uncharacteristic swings of recent years.

A word of warning, however, should temper any excessive optimism. Although long-term trends have been steadily upwards, it is clear that in the short run values can fall, and that agricultural property is not necessarily the absolute hedge against inflation it is sometimes held out to be. But at the moment the signs point to an optimistic stability. Values have advanced steadily over the past year, but not at the breakneck pace which would lead to an upward spiral similar to that of 1972/3. On the other hand there are no indications of a slump

or even a temporary weakness: farming profits have been reasonable, the market for borrowed capital has fallen rapidly, and there is a general air of confidence in this type of investment. This is the all-important factor, for it is now accepted that farmland forms a market whose progress depends heavily on a view of the future, and not just the experience of the past.

The author is on the staff of The Estates Gazette.

Farm and prices, England and Wales\*  
Vacant possession farms (£ per acre)

|      | Actual prices | Constant (1950) prices |
|------|---------------|------------------------|
| 1950 | 80            | 80                     |
| 1    | 88            | 80                     |
| 2    | 76            | 68                     |
| 3    | 73            | 62                     |
| 4    | 75            | 62                     |
| 5    | 70            | 64                     |
| 6    | 70            | 60                     |
| 7    | 78            | 54                     |
| 8    | 85            | 81                     |
| 9    | 101           | 72                     |
| 1960 | 123           | 97                     |
| 1    | 124           | 85                     |
| 2    | 134           | 89                     |
| 3    | 168           | 109                    |
| 4    | 214           | 124                    |
| 5    | 238           | 141                    |
| 6    | 242           | 139                    |
| 7    | 258           | 144                    |
| 8    | 280           | 149                    |
| 9    | 299           | 151                    |
| 1970 | 245           | 117                    |
| 1    | 262           | 118                    |
| 2    | 298           | 126                    |
| 3    | 377           | 283                    |
| 4    | 436           | 209                    |
| 5    | 539           | 144                    |
| 6    | 754           | 169                    |

\* Source: Farmland Market Oxford Institute series of values.

# Developers prefer to take the easy way out

by Hugh Clayton

Few people care about the loss of farmland. Housing, recreation and conservation of wildlife and historic sites are live issues. The safeguarding of farmland against industrial development or other constraints is in comparison a dead one. First, more than three quarters of the area of the supposedly overpopulated United Kingdom is farmed in some way. Second, in recent years higher productivity and efficiency combined with technical advances have raised yields enough to more than compensate for the loss of farmland.

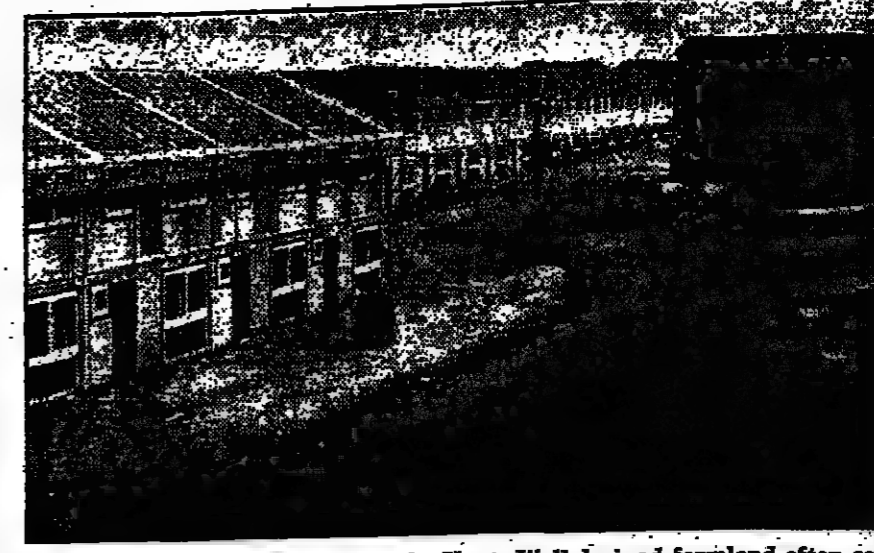
Such facts encourage the view that all is well with the nation's stock of farmland. A small but influential band wants to shake the spathy and enliven debate about the loss of farmland. After all, if the present rate of loss was allowed to continue there would be no agricultural land left in the United Kingdom after about 400 years.

The band is led by Professor John Bowman, director of the Centre for Agricultural Strategy at the University of Reading. Ministers face numberless pressure groups which call stridently and without ceasing for restraint here, coordination of policy there and changes in direction of policy somewhere else. Professor Bowman's aims have little political attraction. They will not bring down food prices, create more jobs or improve the appearance of the landscape overnight.

His efforts have an advantage over those of competing lobbyists, though. They are guided by Lord Rothschild, who believes strongly in the need for a long-term policy to safeguard national food output. He has helped to bear a path on which Professor Bowman has been able to put the case for farmland to influential audiences.

The process began last year with the publication of the first report from the Centre for Agricultural Strategy. That said: "The existing planning process has not been effective in containing urban sprawl and has allowed unnecessary encroachment on agricultural land." It suggested that up to 80 per cent of urban land requirements to the year 2000 can be met from derelict and waste land.

That report was publicized widely, but a speech at Reading in which Professor Bow-



Houses encroaching on farmland in Kent. Well-drained farmland often sat the urban and suburban population's yearning for green space near its

man expressed a more radical view was not.

Departing from his text at a meeting of the university Agricultural Club in January, he said: "Derelict land now in urban areas can accommodate needs for urban development by the year 2000 without taking any further agricultural land." Municipal planners, however, are unlikely to want to develop urban waste land in a period of curbing public spending. Such development can complicate traffic flows and raises difficulties with underground pipes and cables, not to mention rule deeds.

Farmland is much more attractive. It is often flat, usually well drained and almost always uncomplicated. Moreover, in housing developments it more readily satisfies the urban and suburban population's yearning for green space round and near its homes.

Professor Bowman remained uncompromising in his speech. "A less obvious producer of land use policies in this country is the physical sterilization of considerable areas of farmland through the acceptance of diffuse patterns of urban development. Sample surveys recently conducted indicate that as much as 22 per cent of all farmland may be fragmented in layout in areas bordering towns and cities."

"The existing planning process has not been effective in containing urban sprawl and has allowed unnecessary encroachment on agricultural land. We take an important productive asset when we take a piece of farmland. We are squandering it at the moment."

The official figure for

derelict land in urban areas is 60,000 hectares (162,000 acres), but Professor Bowman thinks the true figure is double that. Transfers of farmland to urban use are now running at a level of 19,600 hectares (53,000 acres) a year. That is only about three quarters of the size of the loss of farmland to forestry.

Urban sprawl takes farmland of the best quality, though, while expansion of forest planting usually takes fewer agriculturally desirable acres on which there is often scope for integration with livestock husbandry.

Professor Bowman is worried that the loss of farmland is rising while the economic expansion that encourages it is being restrained. In other words the country is absorbing as much farmland now as it was 10 years ago even though it has less money in real terms to spend on housing, factories, roads and airports.

He is also worried about the assumption that increases in yields will compensate for loss of land. The rate of increase reached between 1955 and 1973 has not been matched since. Droughts have helped to make sure of that, but there is also evidence of a decline in the measurable results of scientific and technical innovations. He therefore considers that we are taking more farmland out of food production than we need just when we should be striving harder to conserve it.

Planning remains very much an urban affair in which the needs of towns and their industries are given priority in deciding how land is to be used. Data about changes of use are not help-

ful to those who want a rational policy for land since they do not change in use until have been made. That is that if a field is to be turned into a concrete car park fact will not appear on official reference documents until the bulldozers have done their work.

One of the main aims of those who want to slow turnover of farmland is to create early warning system which the use of a piece of farmland in food production will be considered in making decisions about future. Whether they are about creation of a new ministry or whether want to give more power to the Ministry of Agriculture, Fisheries and Food is the department that safeguards national supplies. Clearly the tasks overlap and attempt to draw a boundary between the two will require long negotiations with Whitehall.

It would be inconsistent of the Government not to introduce a new element safeguarding food supplies in planning decisions, however. It is committed through its industrial strategy to increasing food production at home in order to ensure that there is enough land on which the food can be produced.

The author is Agriculture Correspondent, The Times

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# Pension investment on the farm

by Michael Hanson

If you see a coachload of sober-suited gentlemen driving along an estate road in East Anglia or Hampshire these days, the chances are that it may be the latest batch of investment managers of insurance companies and pension funds about to get a touch of mud on their shoes for a day.

Such is the interest in farmland as an investment that all the leading firms of agriculture everywhere are wooing the institutional fund managers with special visits. Last August, Humbers (which manages some 250,000 acres of farmland) took a party of investment managers to visit one of its farms at Letchworth.

In February, Jones Lang Woodcock took a party round several farms that it manages in East Anglia. Recently, both Knight Frank & Rutley and Strutt & Parker arranged farm visits for fund managers. Strutt & Parker, which manages more than 500,000 acres of land on behalf of its clients, visited Forgo Farm on the Longparish estate at Whitchurch, Hampshire.

The object in each case was to show how well managed are these farms, and it is a fact that in these inflationary times a tenant farmer may be better off having an institutional landlord than a private one. Inflation is the biggest justification put forward for institutional investment in farmland. Over the past years, according to statistics prepared by the Ministry of Agriculture's Agricultural Development and Advisory Service, the capital value of farmland has increased by more than 10 per cent a year. Average farm rents have risen by 8 per cent a year compound. The real return on equities in the same period has failed to keep pace with inflation.

As yet, there are no reliable statistics for the institutional ownership of agricultural land, though one estimate is about 500,000 acres. This is only 1 per cent of the 47,300,000 acres of agricultural land in Britain. It is also about the same as the total amount of land that changes hands each year. Unfortunately, it is almost certainly a serious underestimate, since two of the oldest institutional landowners, the Crown Estate and the Church Commissioners, between them account for 431,000 acres of agricultural land.

Britain's largest landowners, the Forestry Commission, own more than three million acres of land, of which about 839,000 acres are farmed. The National Trust owns some 400,000 acres of land, though in this case much of it is not farmed other than by rough grazing. Other institutional landowners of the traditional kind include local authorities, nationalised industries and university colleges.

Clearly, the suggested figure of 500,000 acres is likely only to apply to the holdings of insurance companies, pension funds, property funds and property unit trusts. There are various ways an institution can choose to invest in land. The traditional way is simply to buy one or more tenanted farms. These are often let at low rents at the time of purchase, giving the investor a low initial yield, but the yield can be improved as the rents come up for review. It is the raising of rents to their full market level that sometimes antagonizes the farming community. If

farmers have been used to benevolent landlords who have been content with low rents, they may feel excluded by the institutional landlord. But it is often only the institutional landlord these days who can afford the capital improvements that are necessary to enable a tenant farmer to improve his productivity and pay a higher rent.

An alternative to the traditional let farm is for an owner-occupier to sell his farm to an institution at a discount of perhaps 25 to 30 per cent of the market value with vacant possession, and then to be granted an annual tenancy of the farm. The rent will be somewhere near the full open-market value, and subject to review every three years, with the tenant being responsible for repairing and insuring the property.

The advantage of a sale and leaseback such as this is that it enables an owner-occupier to raise capital with which to improve his machinery or equipment, or even to add to the acreage of his farm. From the investor's point of view, the immediate attraction is that the initial yield is higher, being as much as 4½ to 5 per cent, whereas the initial yield under a traditional letting might be only 2 to 2½ per cent.

To improve the return on their investment, some institutions have been turning to land with vacant possession, which they can either farm directly themselves (with the help of a farm manager) or in partnership with a professional farmer or a farming company. In the case of a farm partnership, the institutional investor can obtain a return of perhaps 6 or 7 per cent on his capital investment, whereas by direct farming he may make a return of 7 or 8 per cent.

Clearly, the higher the return, the more management responsibility and risk that is undertaken. In the past the institutional landowners have preferred to keep risks to a minimum, which has also kept the yields down. Now they are experimenting with their holdings.

The ownership of agricultural land by financial institutions has come under attack increasingly from many quarters. There are those who take the view that the ownership of land does not really matter; that it is the occupation of land that is important. This is not a view shared by the Country Landowners' Association, which believes that private ownership is important. A view that is also shared by the National Farmers' Union.

The Country Landowners' Association complains that institutional landlords, especially the newer ones, are essentially remote from the tenant, except through the activities of the land agent. Yet, conscious of this criticism, most institutional landlords go out of their way to maintain close and friendly relations with their tenant farmers. The directors of many insurance companies, for example, now tour their farms regularly, just as the Church Commissioners and the Crown Estate Commissioners have been doing for centuries.

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## Is ownership important?

by Oliver Stanley

Does it really matter who owns the green and pleasant farmlands of Britain? That this question is now so often posed suggests that changes in land ownership patterns are now taking place or are under contemplation, that opposing factions are beginning to take up combat positions.

The statistics are important: only 54 per cent of agricultural land in England and Wales is owned by those who farm it, mostly family businesses. The remaining 46 per cent is tenanted, in ownership of the crown estates, universities, government departments, financial institutions, private individuals and trusts, who receive as their income—not shares of farming profits—but annual rentals from tenants representing, it is claimed, derisory yields on present-day capital values.

At present, the traditional landlord/tenant relationship is coming under regular attack as being in basic conflict with egalitarian beliefs on how the nation's cake should be shared out, or because of old, feudal memories. Despite all that, the case for the agricultural landowner can be argued out on economic, social and political grounds.

First economic: having off agricultural land to separate private ownership achieves a supply of valuable capital to the industry at a low annual rate of return. Farming is a capital intensive business, and it is always burdensome for the farmer to provide not only his own working (tenancy) capital, but also the capital value of his land, likely to be worth at least twice the tenant's working capital.

This is particularly true at the time when a farmer is first establishing himself and when seeking to expand. On the other hand, it is arguable that if landlords were not around, substitute finance would be readily procurable from other sources. This is unproven. Bankers are not traditionally long-term and farming is a business which is so long term as to span the generations.

Until now, borrowed money has been a trivial figure in the national farming balance sheet, and most working capital is subscribed by farmers themselves. The level of interest rates may have been a persuasive factor in recent years, and there is no doubt that landlords have been content with surprisingly low yields—some 2 per cent to 3 per cent at a time when interest rates have been running at 12 per cent to 15 per cent. Thus a switch of land out of the hands of landlords into the hands of occupiers must increase farming costs, and so in the end increase the price of food in the shops.

The proposition is capable of being tested in reverse. It often seems economic for an owner-occupier to do a sale and leaseback, offering the freehold for sale, subject to a tenancy granted back to the vendor. That would substitute a rent payable lower than the current interest burden. But there are not so many takers nowadays, and anyway other factors intervene. Capital gains tax on sale is a big deterrent and so is the

## Dutch treat themselves

Like the reports of Mark Twain's death, those of continental farmers buying all our best agricultural land are exaggerated, but there is no doubt that they are in the market for estates of the right kind, and have been ever since Britain joined the EEC.

The reasons are not hard to find. Farmland in Britain is comparatively cheap and plentiful. Where the average price of lowland farms in England and Wales is about £816 an acre, according to the Country Landowners' Association, farmland in many continental countries can be two or three times more expensive.

Even the best black fenland in East Angles, costing up to £2,000 an acre, costs far less than land of similar quality on the Continent.

Nor is that all. Although crop yields on the Continent are often higher than in the United Kingdom, the small size of holdings overseas generally makes it difficult to produce subsistence-level incomes.

In Britain, the holdings are larger and more economical, making it possible to show yields of between 3.5 per cent and 5.5 per cent on the capital employed.

While there has been a great deal of interest expressed by potential buyers from the Continent, the number of completed transactions is still small in relation to the total amount of farmland that changes hands in Britain each year, though more significant, perhaps, in relation to the total of good farmland that is sold to buyers other than institutions.

The purchases are of two types: farms with vacant possession, bought for occupation, and farms bought as an investment, often on a sale-and-leaseback basis.

Most of the buyers come from Holland or Germany, though the Swiss figure prominently, and there have been a few purchasers from Scandinavia.

Little interest has been shown by the French, possibly because they have four times as much farmland for almost the same population.

Italians are interested, but they are now severely restricted from taking money out of the country, as are the Norwegians, though this does not seem to stop them. The Japanese have looked at farmland, as they have looked at most examples of property investment in Europe, but it is too far from home.

Eastern investors show little or no interest in agricultural land.

Of all the overseas buyers of farmland, the Dutch have probably been the most numerous so far. They began in the boom and have been buying steadily ever since. Among their recent



Avishayes, Chard, Somerset, bought by a Dutchman for about £230,000.

purchases has been the Avishayes estate on the outskirts of Chard, Somerset.

This 228-acre property, with a fine house, four cottages and a bungalow, and a good set of farm buildings, failed to reach its reserve at a recent auction held at the County Hotel, Taunton, by the local office of Hunsberrys.

Having been withdrawn, the property was sold immediately after the auction to a Dutch buyer for an undisclosed price said to have been about £230,000.

Another Dutch farmer recently paid about £150,000 for the 182-acre Wappingthorn Farm at Steyning, Sussex, which local buyers, the Smiths and Sons, sold on behalf of Broadland Properties.

The farmhouse and model farm buildings were designed in 1928 by Maxwell Ayrton, father of the late Michael Ayrton, the sculptor. By today's standards, however, the farm buildings are thought to be old-fashioned, being situated too far away from the house for the buyer's liking.

Savills acted for the buyer, who is not anxious to disclose his identity. They say he was already farming about 70 acres in Holland, which he has now sold to come to England.

It is not just the farmland that attracts continental buyers. Often it is the British way of life, with our Government and taxes seeming more benign than those they choose to leave behind.

That may come as a surprise to those who are thinking of leaving Britain.

Possibly the most unexpected example of a foreign buyer choosing to come to Britain is that of Mr Henry Levy, the Swiss buyer of the 400-acre Briscadden estate near Ashford, Kent, last year. He paid about £300,000 for the property, which was sold through Cluzons, Knight Frank and Rutley, which acted for the buyer, says that he intends to become a full-time resident of Britain when he retires.

Mr John Silkin, the Minister of Agriculture, is known to be concerned about the extent to which farmland in Britain is being bought by financial institutions and overseas buyers. Last month he announced his intention to set up an independent inquiry into what he sees as a long-term threat to the future of Britain's farming industry.

He wants the inquiry to report its conclusions and recommendations as quickly as possible, preferably by the end of the year.

The suggestion has been made that farmland in Britain will remain relatively cheap until the "pound" is revalued. Food prices in Britain are well below those of other EEC countries. This situation was meant to be resolved by 1978, but little progress has been made in meeting the deadline.

Knight Frank & Rutley doubts that land prices in Britain will ever match those on the Continent, unless we have a prolonged period of prosperity.

M.H.

## Tourists provide a second harvest

by Ann Weir

Britain's farmers are reaping a second harvest from their land. They have realized that the fields, flora, fauna, fresh air and farm food can be sold for a premium to the holidaymaker or day visitor.

For some this opportunity to make extra cash has come none too soon. Strong sheep prices in the last year have helped to boost income on hill and marginal farms. But with this exception the income from tourists has often been making the difference between survival of the unit and the farmer giving up.

Many former farmers are now solely tourist entrepreneurs. Thousands of others, the best estimate is 15,000, are making up to half their income from holidaymakers.

The most popular areas for the visitors, many taking their first holiday at home for years, are the Lake District, Scotland and the south-west.

The extent of tourist attractions offered is vast. The farm tourist can be a holidaymaker enjoying a few quiet days' bed and breakfast in a lonely farm on the Welsh hills. He can be a visitor to a rock festival or motor cycle scramble in Berkshire with thousands of others. He can take his family to a country park to picnic, visit a tractor museum, canoe and buy farm produce and craft goods.

Farmers are offering bed and breakfast and full board in the farmhouse, separate guest houses, high and low-density camping and caravan sites. Facilities range from the ridiculous to the sublime.

Specialist facilities rose a lot to set up but, judging by their proliferation, are money spinners. Golf courses are springing up on farms all over the country. Riding centres abound.

Most of the bigger enterprises are called country parks, which include a wide range of facilities such as

picnic sites, rare breed farms, clay pigeon shooting, machinery museums, craft demonstrations and shops, usually selling produce and the work of local craftsmen.

The experts reckon that farming's turnover (England and Wales) from leisure this year will exceed £60m.

Trout farms and produce shops are not usually set up with the tourist mainly in mind. But several of the former have developed a good trade in buying fish feed, repackaging it into small bags and selling them to visitors for 10p each, several times the cost of the feed in the first place. The visitors then feed it to the fish.

A lot of farm shops start and remain based on the main enterprise of the farm—meat from livestock, cheese and yogurt from milk or vegetables. Others, especially those with a busy road going past, just grow, ending up with only a tenuous connexion with the farm business which spawned them.

Mrs Hilary Wheeler who, with her husband, runs a 173-acre hill farm at Aberfeldy on the River Tay in Perthshire, says the farm is marginal in more than one sense.

"The land is on the margin of hill and lowland and the income from it is on the margin of being enough for a family to live on," she says.

The main farm enterprise of a beef cow herd whose calves are sold off to other farmers for fattening was making enough to give the family a fair living until 1973. Since then it has not.

Mr and Mrs Wheeler's first farm tourist venture was to offer bed and breakfast. But soon their family, now aged five, four and two, grew too big to cram into one room.

Three second-hand 26ft static caravans took the place of the farmhouse accommodation, the third just beginning its first season. All were occupied from mid-June to late September. Farm caravans charge £20 to £40 a caravan a week on Tayside. Bigger sites in or near towns charge up to £70 a van.

In addition the Wheelers have run a craft shop in Aberfeldy for seven years. A second shop selling casual clothes has just been opened.

At the other end of the scale is the Duke of Wellington's 3,000-acre Stratford Saye Estate in Berkshire.

He opened Stratford Saye House and a 600-acre country park near by for their first full season in 1975 after a long struggle to obtain the necessary planning permission.

Last year there were 225,000 visitors. This year's visitors will pay 30p to see the house and 50p to enter the park (children half price).

Within the park visitors can sail, row, canoe and fish on the 40-acre lake. There are caravan and camping sites, an adventure playground, a fitness course, five nature trails and picnic sites. And there are an animal area and a dairy exhibition, soon to be called the National Dairy Museum.

A dairy is also the centre of a farm tourist venture set up by brothers John and Jimmy Kerr. The latter concentrates on running a 35-acre farm leisure centre called Easton Farm Park at Wickham Market, Suffolk. The former concentrates on the family's 2,000 acres or more of farmland.

When the brothers planned a new commercial milking parlour they decided to spend an extra £10,000 on a viewing gallery where visitors could watch the cowman at work. Since this feature opened at Easter last year 16,000 visitors have paid 10p each to watch the cowman himself attracts 50,000 in each six-month summer season.

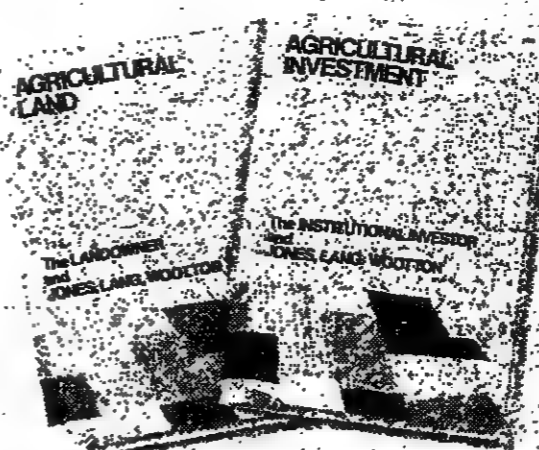
The basic entry charge of 60p for adults and 30p for children allows visitors to see the farm animals and rare breed centre, pens, exhibition of farm machinery through the ages and demonstrations, including threshing and farm work. They can fish in the Deben, trek along a nature trail and buy farm produce and the work of local craftsmen.

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### Stock Exchange Prices

# Quiet but firm

ACCOUNT DAYS: Dealings Began, June 27. Dealings End, July 8. § Contango Day, July 11. Settlement Day, July 19  
§ Forward bargains are permitted on two previous days

[illegible]

Chrysler offers its workers 5 pc phase two pay deal, page 26

## CEGB profit of £100m 'in compliance with price code'

By Ronald Kershaw

The Central Electricity Generating Board was making a profit of £100m in the year ended 31 March 1977, Mr Glyn England, its chairman, said yesterday.

During a press conference at Farnborough, Mr England said that the CEGB's profit was in complete compliance with the price code.

Mr England said the profit was due to efficiency in converting low grade fuel, economies in purchasing stores and materials and more output than expected from nuclear power.

"We aim to keep the costs of producing electricity down. We are aiming to beat inflation," the chairman said, but admitted to some anxiety about investment, because new plant was costly when order books were low, and about possible increases in the cost of coal and oil to fuel the power stations.

On the controversial question of building the second stage of Drax power station, Mr England said his views did not differ from those of his predecessor, Sir Arthur Hawkins, in that there should be no build now. If the Government wanted the industry to do something for social reasons then the Government should be prepared to subsidise it.

The CEGB supported the view that there should be no build now. "We have not offered any view on the ownership side of the business,"

Addressing staff at the power station, Mr England said that

in 1976-77 fuel accounted for 60 per cent of the board's total costs. The explosion in coal and oil prices had undermined electricity's competitive position in the energy market.

Coal stocks were now at record levels but the chairman admitted to being disturbed at the fall in coal output. If it continued there would be a shortage of lower cost UK coals, and falling productivity might force a premature rise in coal prices.

Mr England said: "As discussions continued yesterday between the Price Commission and British Gas over excess profits on gas—put by the commission at £36.6m but disputed by British Gas—Mr John Evans, director of the National Gas Consumers' Council (NGCC), said in London that the council warned last year that there might be excess profits."

He said: "At the time of the last gas price rise we took the view that if the winter was harder than average, as it was outside the south-east, British Gas would be in the field of excess profits. At the time British Gas did not agree. Now we are not surprised."

Another question still to be answered is how far the coal price rise will be passed on to consumers. In some parts of the country have affected gas sales and profits since the 1976-77 period at present under discussion.

But NGCC is staying on the sidelines of the controversy until the commission and British Gas reach a conclusion on whether different accounting procedures are responsible for what the commission has claimed are excess profits.

However, Mr Evans yesterday questioned whether a cash rebate would be the best way to help consumers if there were any excess profits to pay back. "Do consumers really want back little more than £2, hardly a round of drinks, or do they want the money spent on bringing them a lasting advantage? It could be spent on holding prices longer, or on safety, or possibly in other problem areas."

## Leyland double-deck bus plan goes ahead

By Clifford Webb

Mr Desmond Fitcher, managing director of Leyland Truck & Bus, yesterday answered recent speculation causing doubts on the future of the company's new double-deck bus project—code named B15—by announcing a £10m plan to put it into immediate production.

The doubts had arisen after the poor response by Passenger Transport Executives to Leyland's suggestion that they should take a direct financial stake in building and marketing a bus for the 1980s. Only two PTES have so far indicated an interest in this proposition.

But Mr Fitcher told a press conference in Coventry, they all wanted to buy the vehicle and had placed orders sufficient to cover the next three years' production.

He also admitted, however, that yesterday's announcement would have been premature before Tuesday's government White Paper on transport with its boost for road passenger interests.

Rival bus manufacturers now trying to challenge Leyland's new monopoly of double-deckers came under attack.

Mr Fitcher said: "There are manufacturers who believe a double-decker can be sold from the drawing board. We believe you need four years' proving and development. If you try to make a short cut there is trouble in this for somebody—the supplier or the operator."

He said Leyland was the only European motor company which had consistently made profits out of bus manufacture.

This year Leyland's double-deck business in Britain would be worth some £70m and in export markets about £50m.

Well over 95 per cent of all the double-deck buses in service throughout the world were Leyland vehicles.

The new bus will be known as the Titan, resurrecting a famous Leyland name. It first appeared in 1927 and became the biggest selling double-decker.

The new Titan, which costs £36,000, will eventually replace all three current models—the Atlantean, Fleetline and Bristol VRT. It is claimed to make less noise than many private cars and to set new standards of both driver and passenger comfort and safety.

policy towards price stabilisation—the need for comprehensive information, the commodity-by-commodity approach, the establishment where appropriate of international commodity agreements with equal representation for producing and consuming countries and, generally, with buffer stocks as a main instrument for price stabilisation.

Although this policy has included better information, the importance of this can hardly be over-emphasized, the committee says, and the Government should consider whether anything more can be done, especially in assessing long-term trends of supply and demand.

The committee feels that where buffer stocks are practicable, the maximum holding contemplated should be substantially larger than has hitherto been considered reasonable, judging by the experience of the International Tin Agreement.

This would reduce the need for frequent resort to restrictions and give the Tin Council more time to consider when these should be removed and to determine price range policy.

Accordingly, the committee recommends that the Government should press for larger buffer stocks both in existing commodity agreements and in those formed in the future.

Report of the House of Lords Select Committee on Commodity Prices, HMSO £1.85.

## British Shipbuilders launched with 'all-out' drive to win orders and keep yards open

By Our Industrial Correspondent

British Shipbuilders, the country's latest state corporation, is being launched today against a world background of almost unrelieved gloom in the industry.

But senior executives of the corporation, encouraged by an unequivocal commitment by Mr Callaghan that the Government will do all it can to make the organisation strong and competitive, yesterday sought to allay fears of imminent redundancies and closures.

Vigorous marketing of the industry's capabilities is to be accorded top priority in an effort to secure orders providing stability of work for the next two or three years. A marketing team of 20 is to be based in London.

So far this year the industry has attracted new orders amounting to about 256,000 tons, about a quarter of the industry's annual capacity.

Hopes are high that deals with Nigeria and Poland will be completed within the next few weeks.

The new organisation is also expected to consider what has happened in those circumstances.

The first real test may come at Gorran Shipbuilders on the Clyde, where 1,000 workers face redundancy after the summer holidays unless the company is able to win new orders by next month. Executives of the new corporation stated that they would not favour the building of ships on a speculative basis to preserve jobs, but might consider such ventures in the case of small and specialised ships where the potential return in the world market was considered to be reasonable.

Admiral Sir Anthony Griffin, chairman of the newly-formed British Shipbuilders Corporation, with Mr Michael Casey, the chief executive yesterday.



Admiral Sir Anthony Griffin, chairman of the newly-formed British Shipbuilders Corporation, with Mr Michael Casey, the chief executive yesterday.

those companies in that position are responsible to the British Shipbuilders board for their actions. Nationalisation will not change what otherwise would have happened in those circumstances.

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Admiral Sir Anthony Griffin, chairman of the newly-formed British Shipbuilders Corporation, with Mr Michael Casey, the chief executive yesterday.

British Shipbuilders will be required to evolve a new system of industrial democracy in the industry, and officials made it clear that a reduction in the number of unions and greater flexibility would be key items in discussions with the unions over the next few months.

Yesterday Mr Varley, Secretary of State for Industry, appointed Mr John Hepplewhite of the Boiler-makers Society as a part-time member of the board of British Shipbuilders—the third trade unionist to join the board on a part-time basis. Appointment of four full-time directors responsible for personnel, operations, marketing and finance are expected to be announced shortly.

Admiral Sir Anthony Griffin, chairman of the newly-formed British Shipbuilders Corporation, with Mr Michael Casey, the chief executive yesterday.

chairman of the new organisation said the Government had encountered some difficulty in attracting the right calibre of man for the executive jobs.

"The quality of people required for these positions needs to be very high and the sort of salaries which can be afforded have to be in line with those in other nationalized industries," he said.

It was also revealed yesterday that agreement had been reached with the Swan Hunter group for the acquisition by British Shipbuilders of the group's shiprepair yard at Wallsend on the river Tyne, and also of the Swan Hunter subsidiary, Wallsend Shipway and Engineering.

Admiral Sir Anthony Griffin, chairman of the newly-formed British Shipbuilders Corporation, with Mr Michael Casey, the chief executive yesterday.

## Mr Carter holds out hopes of 18-month oil price freeze

Washington, June 30.—President Carter today held out hopes of an 18-month oil price freeze.

He held a televised press conference here that he expected the Saudis to agree to raise their prices to the level of those already enforced by other members of the Organization of Petroleum Exporting Countries, but he hoped that the extension of the price freeze approved by Opec members in Vienna yesterday would "go through 1978 at least."

The United States with its strong economic could support further price increases, the President said, but others could not.

The whole question of oil prices was discussed fully when Mr Carter met Crown Prince Fahd, Deputy Prime Minister of Saudi Arabia, in May. The President mentioned this today,

suggesting that both the United States and Saudi Arabia would use their combined economic and political might to persuade Opec countries to freeze prices for as long as possible.

Mr Carter was less forthcoming in his replies to questions about the general Middle East situation. After the hostile Israeli reaction to a re-examination of American policy towards a peace settlement, he clearly wants to avoid saying anything which might be misinterpreted by the new Israeli government at this delicate time.

He would say only that he looked forward "with great anticipation" to next month's meeting with Mr Menachem Begin the new Israeli Prime Minister. He had no doubts that those talks would be friendly, constructive and instructive both for himself and Mr Begin.

## Ford strikers back after compromise on lay-offs

By Christopher Thomas

The Ford strike, which has meant the loss of 18,000 vehicles with a showroom value of £47m, ended yesterday after nearly three weeks. Production of the best-selling Cortina and Fiesta at Dagenham resumed last night.

The stoppage came to an end when 4,000 assembly plant men voted in favour of a peace plan. Body plant workers returned to work earlier this week after accepting peace proposals.

Although the dispute started in a minor clash over a man who refused to operate a piece of equipment in a particular way, it quickly intensified into the volatile area of lay-off pay. The company has now agreed to delay for a complete shift the implementation of lay-offs resulting from any stoppage inside Ford.

It represents a partial move towards the men's demand but falls far short of the original claim, which was for 80 per cent of normal pay when laid off because of a dispute elsewhere in the company. But the issue, the subject of a number of previous disputes, will be raised again at national level at talks due to begin later this month on a new annual deal for 33,000 hourly-paid workers.

The vote to return to work was taken against the recommendation of Mr Brian Elliott, convenor of the assembly plant stewards, but he said he would abide by the decision. He added that there would be an investigation into the assembly men's vote.

"There is no doubt that there were people at the meeting who should not have been there," he said.

## Libya to raise its oil prices by 5 pc

Mr Izzeddin al-Mabrouk, the Libyan oil minister said yesterday that his country will increase oil prices on schedule by 5 per cent today, although by 5 per cent to the level of those of its Opec partners have pledged to keep prices steady.

This statement was sent to Reuters by the Libyan Arab Revolution News Agency (ARN).

Mr al-Mabrouk said Libya would cancel the rise if Saudi Arabia and the United Arab Emirates brought their own prices into line with those charged by the majority of Opec countries.

On Wednesday, Opec announced in Vienna that nine members have agreed to drop a planned 5 per cent oil price rise, scheduled for July 1.

## Sotheby 'heavily oversubscribed'

By Our Financial Staff

The new issue market has reopened with a flourish. Paving the way, City Hotels Group started with a warm reception and a rush was reported for shares in Sotheby Parke Bernet Group.

At the same time, the market learnt of the size and the terms of the London & Scottish Marine Oil issue.

City Hotels climbed to 79p before dropping back to 77p in yesterday's trading for a 17p premium on the offer price at the close, which values the Dayville Ice-cream and Strikes hamburger chain at £231m.

The three merchant bankers to the Sotheby float announced that the issue of 3.85 million shares had been "heavily oversubscribed".

The basis of allotment is expected today, but dealers are predicting a heavy opening premium—possibly as much as 30p over the issue price of 150p a share.

The omens are extremely good. When the auctioneers' direct competitor, Christie's International, came to the market in November, 1973—ironically described as the last classic new issue success—the offer was 10 times subscribed.

Sotheby's, however, will have to run hard to match the success of J. Sainsbury, which came to the market in the summer of that year oversubscribed 34 times.

The LSMO issue also looks as if it will do well. Morgan Grenfell, merchant banker to the issue, is to offer 8.5 million shares at 155p a share, which

capitalizes the North Sea exploration group at £75m. The application list will open next Thursday.

The group's quoted Oil Production Stocks rose to a new peak with a 12p rise to 339p, and its big shareholders were also in demand.

British-Borneo Petroleum Syndicate, understood to own a stake, climbed 20p to 184p. James Finlay, which holds 5.78 per cent, rose 10p to 246p, and National Carbonising advanced 3p to 66p on the back of its 11.02 per cent holding.

Judging by the British Petroleum issue, the three newcomers should develop a healthy market once the stage have come out. BP's existing shares added 8p yesterday to 932p, while the partly paid put on a further 12p to 380p.

The dollar regained some ground yesterday to close slightly higher against most major currencies. But the general mood among dealers was that the improvement owed more to technical factors than to any belief in long-term strength.

The day began in Europe just as the Tokyo foreign exchanges were closing after another hectic session in which the yen rose sharply to touch 266.5 to the dollar, up from the 268.9 level at which it had closed at the end of the previous session.

That weakness led to further falls in Europe but by the afternoon there were signs of profit taking.

The dollar cleared its way back to close at 267.45 yen, up fractionally.

The pound was steady throughout the day with some Bank of England buying of dollars to add to the reserves. Sterling closed at \$1.7197.

## Lyons sells Tower Hotel to EMI for £6.5m

By Desmond Quigley

J. Lyons has continued its long line of enforced disposals with the announcement yesterday that it had sold The Tower Hotel at St Katherine's Dock for £6.5m to EMI.

This brings to some £41m the amount Lyons has raised by major asset sales in an attempt to scale down its heavy borrowings after its ill-fated attempt to become a major international foods and hotel group.

Last November Lyons sold off the major part of its hotel interests to Trust Houses Forte in a £2.5m deal. The following month the Wimpy group was sold for £7m while a simultaneous transaction to sell the Tetley tea and coffee business in the United States subsequently fell through.

In March half the interest in the South African Wimpy chain was sold for £608,000.

Lyons sold yesterday that it paid a total of £4m to acquire the 99-year lease of the Tower Hotel in 1973 and fit the building out.

The four-star, 800-bedroom hotel on the periphery of the City is located in the St Katherine's Dock Development Scheme. At £6.5m EMI has paid an average of £8.125 per bedroom compared with a price of less than £4,000 under which THF acquired Lyons' major hotel interests.

EMI said yesterday that the Tower Hotel acquisition fitted perfectly the group's plans for hotels in London. It had been looking for a single hotel which would complement its existing five hotels in the centre of London—The Selfridge, Royal Horseguards, Royal Westminster, Royal Trafalgar and Royal Angus. It estimated the cost of a new hotel at £25,000-£40,000 per bedroom.

Significantly, the new acquisition almost doubles the number of the group's bedrooms in central London to 1,700 rooms.

EMI financed its purchase with three million shares, subsequently placed with institutions at a net price of 212p, a 10p discount on the overnight price of 222p.

The Tower Hotel was the last of Lyons' major hotel interests in the United Kingdom, although it still has some interesting properties in 12 and 20 bedrooms. Abroad it still has the Commodore in Paris, the Alpha in Amsterdam and a hotel in Sienna, Italy. EMI, however, made clear that it was not interested in the European hotels.

## Dollar recovers against major currencies

After a bad start the dollar regained some ground yesterday to close slightly higher against most major currencies. But the general mood among dealers was that the improvement owed more to technical factors than to any belief in long-term strength.

The day began in Europe just as the Tokyo foreign exchanges were closing after another hectic session in which the yen rose sharply to touch 266.5 to the dollar, up from the 268.9 level at which it had closed at the end of the previous session.

That weakness led to further falls in Europe but by the afternoon there were signs of profit taking.

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The pound was steady throughout the day with some Bank of England buying of dollars to add to the reserves. Sterling closed at \$1.7197.

## How the markets moved

| Rises          |             |                 |             |
|----------------|-------------|-----------------|-------------|
| Aaronson Bros  | 5p to 66p   | More O'Ferrall  | 5p to 42p   |
| Bry & Bivack   | 12p to 164p | Oxley Printing  | 3p to 32p   |
| Burt Borneo    | 20p to 184p | Peko Wallend    | 15p to 535p |
| Cap & Counties | 3p to 36p   | Swan Hunter     | 10p to 122p |
| Chapman        | 10p to 246p | Thorne Electric | 12p to 322p |
| Kitchen Taylor | 6p to 108p  | UC Invest       | 15p to 185p |
| Int Timber     | 4p to 24p   | Union Corp      | 16p to 226p |
| Lasalle        | 12p to 339p | Wicks           | 4p to 189p  |
| Lease Corp     | 10p to 215p | Winkelsnaak     | 11p to 495p |
| Morris Export  | 3p to 18p   | Xarrow          | 3p to 197p  |
| Falls          |             |                 |             |
| Berkley Embro  | 3p to 98p   | Press W.        | 3p to 54p   |
| Blackman & C   | 2p to 30p   | Thermal Synd    | 15p to 116p |
| Lyons J.       | 3p to 52p   | Unilever        | 6p to 438p  |
| Morgan-Gremp   | 4p to 106p  | Wadkin          | 3p to 107p  |

Acceptance of 5pc increase would preclude further settlement within 12 months

# Chrysler hopes high for phase two pay pact

By R. W. Shakespeare

One of the last major industrial wage settlements under phase two is likely to be concluded within the next few days. Significantly, it involves more than 19,000 workers in one of the "big four" car groups.

Chrysler has this week tabled an offer, in line with the phase two ceiling of 5 per cent, with shop-floor negotiating committees representing both manual and clerical workers in its British plants.

The offer will go to a series of shop-floor meetings over the next few days and the company believes there are good prospects that it will receive indications of acceptance by next week.

Wage agreements with Chrysler ran out yesterday, so the new deal would become effective immediately.

Chrysler has hopes of trouble-free acceptance, even against the background of growing union and shop-floor insistence elsewhere on a return to free

collective bargaining when phase two concludes at the end of this month. These are pinned on the fact that it has enjoyed stability in shop-floor relations since the government rescue and the consequent reorganization of production.

Management at the American-owned company believes most workers will want to see this stability, the freedom from lay-offs and, therefore, security of earnings, continue.

If the Chrysler deal goes through, it will, of course, come under the phase two "12 months rule" which precludes any new pay settlement during that period. However, the company has held out some prospects that if the 5 per cent increase is accepted now it will

—should a new wages policy permit—be ready to start fresh talks with the unions on a number of specific issues. These are likely to include the question of skill differentials and pay gaps that still exist between some plants.

For two or three years, Chrysler has,

through agreements with the car unions, been committed to achieving wage parity in its plants. The intervention of phases one and two of incomes policy prevented this being carried out.

If the ending of phase two brings the degree of flexibility that unions are now demanding, Chrysler will be anxious to rid itself of wage anomalies.

Last week, at the annual conference of the Shipbuilding and Engineering Confederation unions there was solid support for the demand for a return to unfettered wage bargaining at the end of phase two, a move that was led by Mr Hugh Scoulton of the Amalgamated Union of Engineering Workers, and, again significantly, supported by the vehicle and automotive group of the Transport and General Workers' Union.

However, Mr Scoulton and Mr Jack Jones as leader of the T & GWU, said they would insist that any deal made under phase two must be fully honoured to terminal dates.

This means that if the Chrysler workers accept the company's offer the two big unions to which the vast majority of them belong will regard them as being fully committed to the pay deal for the next 12 months. And if the brakes come off wages during that period they could see other car workers opening up a sizeable gap on comparative basic pay rates.

At Rolls-Royce and Associates in Derby have been granted £15 a week pay rises backdated to last October. The staff, all nuclear engineers, were earning an average of £4,500 a year and the rise represents a 15 per cent increase.

A spokesman for the Association of Scientific, Technical and Managerial Staffs, which represents many of the men, said the government wage restrictions the increase was permitted under the Fair Wages Resolution which covers workers not paid the equivalent of employees involved in similar work elsewhere.

## Banks put loans case to Wilson Committee

By Ronald Pullen

Banking Correspondent

Gearing banks have played a full part in meeting the requirements made of them for external finance, according to evidence submitted to the Wilson Committee on the workings of the United Kingdom financial institutions from the Committee of London Clearing Bankers.

Pointing to the low level of demand for bank advances by industry at present, the CLCB argues that there is pent-up pressure for bank finance from industry.

On a more aggressive note, moreover, the CLCB cites recent studies from the Bank of England, which have been reinforced by evidence already given to the committee, that the banks' credit criteria have not been found unduly restrictive, and the limiting factor on industrial and commercial borrowing has tended to be the deteriorating view these companies have taken on the rates of return they are likely to obtain from new investment.

In the first of its two-volume submission, the CLCB says that a clearing bank applies even more stringency in assessing equity investment opportunities than in the course of the rest of its lending business.

The bank usually looks for an adequate dividend within a short period, although in certain circumstances a company

with good prospects may be allowed to retain more of its earnings to promote further growth.

Answering the more fundamental criticism levelled against bank lending to industry—that it tends to lend on too short a term—the CLCB emphasizes that an increasing proportion of its lending is now on a medium-term basis.

Over 40 per cent of direct lending to industry and trade was on medium-term facilities in 1976, which rises to 47 per cent if export finance schemes are included. With three-quarters of their sterling deposits held for periods of eight days or less, the CLCB argues that it would be imprudent to alter this level much further.

Even though the CLCB concedes that the financial system as a whole has been effective in meeting the requirements of trade and industry for finance, the banks suggest a number of ways the overall effectiveness of the system could be improved.

Among these are an overhaul of the whole range of controls, regulations, incentives and subsidies applied to different types of financial institution. In particular, the banks urge a policy of fiscal neutrality towards savings. The CLCB also calls for a review of the machinery for providing equity or long-term funds to smaller companies via life assurance companies and pension funds.

## Britain 'not realizing its potential'

By Derek Harris

Without more professional and effective manufacturing management Britain is likely to end up nearer the bottom than the top of the league of industrial nations, Dr Peter Jost said in his inaugural address yesterday as incoming president of the Institution of Production Engineers.

The role of production engineers, which together with that of electrical and mechanical engineers, is expected to be a major preoccupation of the forthcoming government inquiry into the engineering profession.

Dr Jost, who chaired the government investigation on tribology and demonstrated how Britain could save £15m a year by lubrication technology, said that in manufacturing Britain had a potential second to none, but it was not fully realized.

In manufacturing Britain was neither as efficient nor as expeditious as some of its foreign competitors. The reason could be lack of political recognition of the importance of the subject, Dr Jost said.

Manpower and brainpower were not in manufacturing in contrast to the pure science field—being used to the best advantage, and indeed often badly. No significant central government activity in manufacturing management was at present led by a production engineer, nor was the government machine professionally advised in any major aspect of manufacturing.



Dr Jost: More effective management needed.

During management was at present led by a production engineer, nor was the government machine professionally advised in any major aspect of manufacturing.

"Perhaps it is because our political parties are too preoccupied with other matters—particularly those that have the vote attraction of wealth distribution or even the promise of wealth distribution—that has prevented them from throwing their full weight behind the required national effort in the fields of tribology and manufacturing."

There were nevertheless encouraging signs of movement, particularly the Government's new industrial policy.

## Benn talks on oil future with unions

By Edward Townsend

Mr Wedgwood Benn, Secretary of State for Energy, last night met two groups of union officials for further discussions on workers' fears for the future of the country's oil refining and petrochemical industries.

Earlier this month, Mr Benn apparently assured union leaders that he would oppose a European Commission proposal to cut oil refining capacity, which the unions believe is irrelevant to the Government's industrial strategy for making the maximum use of North Sea oil.

But the petrochemical sector, the unions are concerned about a shortage of effective investment and have criticized the industry for a lack of commitment to ensure that the benefits of North Sea oil accrued to the nation as well as the oil companies.

Last night's meetings came on the day that Mr Benn stepped down from the post of president of the REC Energy Council, a term of office which he said in a report had not brought dramatic progress in the formulation of a Community energy policy.

"However, I believe it has been marked by strong ministerial-political-control over energy affairs, which is essential. We have promoted greater informality and closer ministerial links and, I hope, a greater sense of realism in our approach to a subject which must be seen increasingly in a wider international framework."

According to *Energy Trends* published yesterday by Mr Benn's department, gross production of North Sea crude oil in the first four months of 1977 rose sharply to 10.6 million tonnes compared with 12 million tonnes for the whole of last year.

Total inland energy consumption for the three months to the end of April was 1.7 per cent higher than in the same period last year, and after seasonal adjustments, coal consumption in March-May rose by 3.4 per cent, and power station consumption was up 9 per cent on a year earlier, with gas demand growing by 3 per cent.

### Alumina fibre project

Imperial Chemical Industries is to spend £7m on a new alumina fibre plant at Widnes, Lancashire, producing 10,000 tonnes in the second half of 1979. It will be built beside an existing alumina fibre factory established in 1974.

Sales of ICI's alumina fibre are about 1m a year.

## Italy opens deep-sea oil search

From John Berke

Rome, June 30

The Italian Government is throwing open to international bidders offshore exploration rights for oil and gas at hitherto unexplored depths down to 1,100 metres in the southern Adriatic and Ionian Seas.

Exploration in Italian waters has so far been limited to depths of 200 metres.

The state hydrocarbons corporation ENI has submitted to the Government preliminary seismic data gathered in the west during the past two years.

In accordance with a decree of June 1975, giving it exclusive rights to up to 25 per cent of the area, ENI has selected nine blocks amounting to about 8,700 square kilometres within the whole area of more than 26,000 square kilometres.

The area covers waters between 200 and 1,100 metres deep. Its main interest is that it lies immediately beyond the Lure and other gasfields off Crotona in Calabria, which are emerging as one of the main domestic sources of natural gas.

ENI, whose subsidiary AGIP will start systematic exploration in its exclusive area as soon as the industry ministry grants permits, will be barred for two years from bidding in the remaining 75 per cent.

## Tighter curbs by US on Hongkong textiles

Washington, June 30

The United States will tighten import restrictions from October 1 on many types of textiles and garments, United States officials said on Wednesday.

Although the White House and the State Department say details of the recently completed bilateral agreement with Hongkong will not be made public until about July 11, details are starting to leak out in Washington.

A Congressional source, who has been briefed on the new five-year agreement, said the annual "growth rate" for quotas covering 26 categories of textiles and apparel will be held to 3 per cent or less.

Other sources said there will

have to be "rollbacks" in the volume of some imports from Hongkong.

For such products as shirts, blouses and sweaters, the annual growth rate in import volume will be no more than 2.5 per cent, they said.

Hongkong has long been a major exporter of textiles and apparel to the United States. Last year it was the leading supplier of such imports.

The bilateral agreement with Hongkong is expected to set the pattern for a tightening of United States import quotas from other countries.

The United States expects to get a straight extension of an international textile agreement, negotiations for which resume in Geneva next Tuesday.

## Balance sheets get stronger

Company balance sheets were growing stronger during the year to April, 1977, according to an initial analysis of listed company balance-sheets published in June's edition of *Financial Statistics*.

The figures, which apply to balance-sheets analysed up to April 30 this year, show that the capital and reserves of the companies involved increased by almost 15 per cent. Gross debt, however, rose by only 8.5 per cent, dropping gearing to a point to 27½ per cent, and net debt was marginally lower.

A notable feature of the companies' balance-sheets was the further sharp rise in deferred taxation. This was up by almost 40 per cent. In terms of the total balance-sheet, the proportion represented by deferred taxation, rose

called for a new look at the cost of company audits. "There is grave concern in industry about the level of audit fees," he told the conference.

He also pointed out that for six major companies showing a sharp increase in audit fees as a percentage of pre-tax profits. Ray Maughan writes: In its tenth Exposure Draft, the Inter-Company Accounting Standards Committee proposes that a contingent loss should be accrued by a charge in the income statement if it is possible that a future event will confirm that an asset has been impaired or a liability incurred at the balance sheet date.

The draft categorizes two post balance sheet events—the first which provides additional evidence which aids the calculation of estimated amounts relating to conditions which existed at the balance sheet date, and the second describes those events which do not meet this criterion but do represent significant changes in the financial statement amounts.

The first category, the IASC proposes, should be reflected by adjustment of the financial statement amounts and the second in notes to financial statements.

Entitled *Contingencies and events occurring after the balance sheet date*, the draft ends on December 31 next.

He told the Institute's annual conference that there were normally half a dozen large companies in an industry which were completely managed. But in recent years they had suffered from a national and international decline in trade, and an erosion of their resources through inflation. The bigger companies knew, however, where they were going and what they had to do to put matters right.

But this was not the case in smaller companies. Small units were not competitive in price and quality and they lost exports and invited import penetration. They had little long term thought of success, Sir Henry said.

It was here that accountants could be more helpful in the future. "You can change the whole course of a man's business life if you give him the right advice at the right time," he said.

A leading industrial accountant, Mr Geoffrey Wilson, managing director of Delta Metal

## More forceful role is seen for accountants in industry

By Nicholas Hirst

Accountants have a leading role to play in revitalising British industry, Sir Henry Benson, Industrial Adviser to the Bank of England and former president of the Institute of Chartered Accountants in England and Wales, said yesterday.

He told the Institute's annual conference that there were normally half a dozen large companies in an industry which were completely managed. But in recent years they had suffered from a national and international decline in trade, and an erosion of their resources through inflation. The bigger companies knew, however, where they were going and what they had to do to put matters right.

But this was not the case in smaller companies. Small units were not competitive in price and quality and they lost exports and invited import penetration. They had little long term thought of success, Sir Henry said.

It was here that accountants could be more helpful in the future. "You can change the whole course of a man's business life if you give him the right advice at the right time," he said.

A leading industrial accountant, Mr Geoffrey Wilson, managing director of Delta Metal

## LETTERS TO THE EDITOR

### Indexation an aid to curing inflation

From Mr J. Hoskyns

Sir, Oliver Stanley, in his interesting article on indexation ("Tax: why this reluctance to allow for inflation?"), comments that if the Chancellor remains inactive on the matter, one conclusion would be that indexation "... is psychologically impossible for Mr Healey, because it is tantamount to an admission that inflation is with us for evermore."

I think this could mislead people because it suggests (though I don't think that was the intention) that indexation is only an alternative to, rather than an aid to the cure of inflation by monetary measures. Of course indexation on its own cannot reduce inflation, but it could both ease the cure and thereafter help to ensure that the cure was permanent. There is no reason why, with inflation at zero, government could not, by indexing government bonds, tax-bands and allowances, say in effect:

1. We hereby renounce the temptations of fiscal drag, with its inherent dishonesty and attendant injustices;
2. We hereby restore our

broken pledge on our bank notes "I promise to pay the sum of one pound (in real money)".

While indexation would not make it impossible for governments to inflate again, it would remove most of their incentive to do so. And it would act as an automatic damper to the public's inflationary expectations which themselves end up by forcing weak-minded governments back towards further monetary expansion.

Paradoxically, the commitment to indexation is the very opposite of admission that inflation is here to stay. For ensuring that the costs of excessive monetary expansion keep bouncing visibly back on to Government's plate, instead of being surreptitiously billed to the public, government would show that it really understands the dynamics of inflation and has the will to stop it.

Yours faithfully,  
JOHN HOSKYN,  
Widmore,  
Great Walsingham,  
Norfolk,  
Suffolk,  
June 29.

### The cold facts of LNG carrier fire risk

From Dr E. C. B. Corlett

Sir, I read with interest the letter from Elizabeth Young regarding the problem of transporting liquefied natural gas (LNG) at sea. The writer does well to point out the peculiar nature of this cargo but there are several points in the letter which require clarification.

First, LNG is not carried under pressure, as all contrary to the writer's suggestion. The critical temperature is so low that there is no point in using pressure to keep it in the liquid state. LNG ships are currently in service or projected, carry the cargo cryogenically at the temperature of or below liquefaction point at normal pressure.

It is unlikely that there will be a considerable number of second and third hand LNG carriers. These ships are incredibly expensive, both to build and to run and can only be operated by owners who have already made long term commitments. All LNG ships are for the life of the ship. This is a quite different situation from that of tankers and it is wrong to consider any equation between the two types of ships in this respect.

Finally, what evidence is there that accidents to LNG carriers will be so serious that "besides which oil tankers accidents are bread and butter"?

There is little or no danger of fire in a LNG carrier collision because of the extremely cold cargo. Spillage of the cargo risks total structural failure of the carrier as the temperature of spillage reduces the characteristics of ordinary structural steel to something approximating to plastic. However, there is no risk of pollution because the LNG as it boils produces a lighter than air gas which leaves the area vertically. Serious, perhaps, but I suggest, not comparable with, say the spillage of a ship carrying 300,000 tons of crude oil.

Nevertheless, one must agree with the writer that the issue is over-ripe for real shore-based control of traffic through a number of sea areas including the English Channel.

Yours faithfully,  
E. C. B. CORLETT,  
Coramans,  
Port-e-Vulien,  
Ramsey, Isle of Man,  
June 28.

### Doubts over pharmaceutical patents move

From Mr C. Whyte

Sir, Dr Arnold makes specific plea for the pharmaceutical industry (your June 17). One wonders whether all firms, large and small, subscribe to the plea, and also wonders whether a profit record the extent of patents to be provided by the new Act is the right procedure to remedy an injustice under the old Act.

However, whatever the particular circumstances of pharmaceutical industry must be wrong to afflict industry in general with legislative legislation of nature.

When patentees apply patents they know the time, and there seems to be reason why retrospective legislation should now alter rules of the game.

This provision will have effect of restricting a needed new investment technological nature, it affects employment and it also have adverse effect on the balance of payment. Government's side of the contract and make Government's kind under social contracts more difficult to achieve.

It is to be hoped that whole issue will be vented thoroughly while the Bill hangs in the air. Yours faithfully,  
C. WHYTE,  
35 West Side,  
Hendon, London, NW4,  
June 22.

### Frank question on missing 6p stamps

From Mr R. M. Silverblatt

Sir, Mr Arnold's letter (June 27) on the new postal charge prompts me to ask why, in the first seven parcels of weight steps now required rates of 56p, 86p, 106p, 126p, 136p and 146p respectively, the 6p stamp is longer obtainable? Yours truly,  
R. M. SILVERBLATT,  
Director, Mail-A-Mink Limited,  
Morley House,  
320 Regent Street,  
London, W1R 8AG.

## Unions in a changing democracy

From Mr R. C. Kirk

Sir, I read with much interest, on your front page of *Business News* (Monday, June 27, 1977), your reportage Professor Ben Roberts' views on radical advanced worker-directors and future employee participative management.

The most salient remarks to me were these: "What must, however, be rejected is the extreme view that the only form of participation that is meaningful is one which so enhances the bargaining power of the unions that, in effect, they take over the control of private and public enterprises."

What Professor Ben Roberts and very many of his ilk may have overlooked and not appreciated is the historical perspective on this matter.

We are all living in an era of great social fundamental change, and while in the past, Governments of both political

parties, elected by the consumer electorate, have been responsible for the political policy of this country without taking over every detail of private and public enterprises, we are now in a period of history when all forms of traditional governmental control are being challenged, and the most important and biggest challenge is the Trade Union Congress.

Technological industrial democracy has simply got to take another constructive surge forward in the history of mankind; because if it does not, society takes a very grave risk of collapsing into chaos and anarchy.

To avoid chaos democracy from the grass roots, must simply be democratically organized, and the only meaningful democratic administrative vehicle is the trade union movement with its roots deep into the history of this, the most mature democratic

country in the world. This fact will provoke a lot of people, prejudiced, especially in the policy management-orient but do kindly remember that every trade union has now a politically to protect its part of industry or industry for every other trade union, which is politically protecting particular trade or industry.

It is a fact that any knowledge able and experienced person who also has respect for it and order as against anarchy and chaos will appreciate and support this historical point view. Yours sincerely,  
R. C. KIRK,  
Associate of the Institute of Grocery Distribution,  
Member of the Union of Shop Distributive & Allied Workers,  
Member of the Conservative Trade Union Organization,  
6 Kemble Road,  
Forest Hill,  
London, SE23.

## Quandary over a redundancy claim

From Mr J. I. Karst

Sir, Clearly, one of the reasons why the country's finances are in a state of such a mess is shown by a letter we have received from the Department of Employment relating to redundancy payments in a case where we are acting for the employer.

"She could receive payment if the employee has made an application for a redundancy payment outside the statutory six-month period and has requested the tribunal to extend that time. We quote:

"If the employer chooses not to invoke Section 61 of the Act and make a redundancy payment, that payment should also be the full entitlement. Any claim for rebate on the full amount would be considered by this Department. If payment was not made in full, the Department would not pay rebate."

It therefore appears that an attempt by the employer to save the redundancy money, has utterly failed for, unless the employer pays the full amount of the redundancy payment, he cannot obtain any rebate whatever. We believe that this should be drawn to the attention of readers.

Yours faithfully,  
YEROME I. KARST,  
Osmond Court & Rose,  
Winchester House,  
349 Regent Park Road,  
Finchley, London N3 1DH.

of that amount on application.

If the employer chooses not to invoke Section 61 of the Act and make a redundancy payment, that payment should also be the full entitlement. Any claim for rebate on the full amount would be considered by this Department. If payment was not made in full, the Department would not pay rebate."

It therefore appears that an attempt by the employer to save the redundancy money, has utterly failed for, unless the employer pays the full amount of the redundancy payment, he cannot obtain any rebate whatever. We believe that this should be drawn to the attention of readers.

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YEROME I. KARST,  
Osmond Court & Rose,  
Winchester House,  
349 Regent Park Road,  
Finchley, London N3 1DH.

## Vacations

From Miss H. Sealy

Sir, With reference to the note in your *Business* Diary today's date, we note that Jamaica Vacations is referred to as a tour operator.

In fact, Jamaica Vacations is a company set up by the Jamaica Government, come locally to assist business. Your operators overseas who are interested in initiating or extending their charter programmes to Jamaica. Risk-taking is one of the ways in which this company is able to assist established tour operators.

No time, however, does Jamaica Vacations become a tour operator or wholesaler selling its own packages.

I would be grateful if it above fact on this company could be correctly published in your paper.

Yours faithfully,  
HOPE SEALY,  
Assistant Director of Tourism,  
Jamaica Tourist Board,  
6-10 Bruton Street,  
London, W1.

## Ambisonic encoding recommendations

From Professor F. B. Pellgett

Sir, Permit me to correct a misconception, which may be engendered by your *Technology Correspondent's* informative but necessarily compressed article about surround sound reproduction (June 24), that less than maximal attention has been paid to mono and stereo compatibility in the choice of Ambisonic encoding recommendations.

As in anything subject to economic constraints, one cannot in surround reproduction have everything that may seem desirable, and good engineering is a matter of making suitable compromises. Unlike earlier so-called "quadraphonic" proposals, Ambisonics is not derived from any inbuilt encoding specification, but is a general technology for surround-sound from studio and production techniques to consumer decoding. Encoding specifications arise from this tech-

nology as the natural outcome of engineering optimization. The currently recommended set of specifications, designated 45J, has been chosen after international consultation and discussion of what is optimal, and there are definite reasons why some legitimate requirements could not be met, or would be excluded, by any specification which departed very much from 45J.

It is the two-channel member, 45JB, of this recommended set that is directly comparable with the BBC's "matrix H" two-channel specification. The differences between these encodings are significant but not very large, and a reason for any is that it is not at all easy to see what mono-stereo compatibility really means. In stereo reproduction, the whole surround circle has somehow to be compressed into the space between the two loud-speakers, and it is

far from evident how this can be done most successfully. Should mono reproduce sound from all directions equally loudly, or should those from the rear appear less loud?

The resolution of these matters will require sensitive listening and much operational experience, and probably also the establishment of aural conditions analogous to the which enables us to accept the a 180° television screen as represent a whole football field. This resolution, and the fine-tuning of encoding specifications that follows from it, is the objective of the current agreement between the NRBC and BBC to exchange information and experience.

Yours faithfully,  
PETER B. PELLGETT,  
The University Reading,  
Department of Engineering and Cybernetics,  
3 Earley Gate, Whiteknights,  
Reading, RG6 2AL,  
June 27.

## Property Holding

& Investment Trust Limited

HIGHLIGHTS FROM THE STATEMENT OF THE CHAIRMAN, MR. ARTHUR JOHN, CBE, FCA.

Year to 31st March, 1977

- Gross Revenue up by £485,000 to £2.6 million.
- Maximum permissible dividend of 5.852p. per share, equivalent with tax credit to 9.003p.
- Surpluses of £1.1 million, after tax, to Capital Reserves.
- Director's Valuation of properties £48.8 million, £12.8 million above book value.
- Cash, short-term deposits and short-dated gilt-edged stocks £3.0 million.
- Further increase of 10% in net revenue forecast for next year.

The Annual General Meeting will be held on Monday, 25th July, 1977

### CAPITAL SPENDING

The following are the revised figures published today by the Department of Industry for the fixed capital expenditure of manufacturing, distributing, service and shipping industries and for the stocks all seasonally adjusted at 1970 prices:

|      | Cm    |            |        |
|------|-------|------------|--------|
|      | Total | Investment | Stocks |
| 1972 | 4,293 | 1,739      | - 82   |
| 1973 | 4,759 | 1,872      | 888    |
| 1974 | 4,728 | 2,024      | 636    |
| 1975 | 4,046 | 1,737      | -526   |
| 1976 | 3,754 | 1,851      | -29    |
| 1977 | Q1    | 1,181      | 410    |
|      | Q2    | 1,141      | 449    |
|      | Q3    | 1,178      | 489    |
|      | Q4    | 1,236      | 487    |
| 1975 | Q1    | 1,058      | 471    |
|      | Q2    | 1,037      | 444    |
|      | Q3    | 1,007      | 416    |
|      | Q4    | 945        | 406    |
| 1976 | Q1    | 814        | 402    |
|      | Q2    | 814        | 408    |
|      | Q3    | 983        | 418    |
|      | Q4    | 844        | 422    |
| 1977 | Q1    | 955        | 414    |

BY THE FINANCIAL EDITOR

## Trafalgar House takes the plunge with Beaverbrook

To judge from its track record in breathing life into apparently hopeless causes (Cementation, Trollope & Collis and Cunard to name just three), Trafalgar House has a head start over the other authors for Beaverbrook in pulling the newspaper group back from the brink. And Trafalgar was no idle yesterday in spelling out its longer-term diversification strategy for getting Beaverbrook back on the rails.

But as others have found to their cost, the newspaper business is a hard taskmaster and however successful Trafalgar's strong management team has been in the past at pulling round industrial concerns, it is quite another matter to wave a magic wand in Fleet Street. And that remains the case even allowing for the management deficiencies that are widely accepted to permeate parts of the newspaper industry.

In the short run, Trafalgar recognizes full well the three-year haul lies in front of it before the newspaper side can hope to get on an even keel. Even with the more encouraging signs emanating from inside the Beaverbrook group on trading at the moment, it will be some time before the £13.7m initial outlay on Beaverbrook, which perhaps a maximum of another £20m to come, can be justified in purely financial terms despite Trafalgar's hopes of a £10m pre-tax profit by 1980.

Still sticking to his guns, however, Trafalgar will have to run the gauntlet of Sir James Goldsmith who controls 40 per cent of the non-voting equity and was hopping mad at the price disparity between the non-voting and voting even before the terms of yesterday's deal. At 25p for the vote against 70p for the non-vote, which thing even more in favour of the Aiken family who hold more than four fifths of this class of the equity.

Meanwhile, everything hinges on today's meeting of the Beaverbrook Panel who are due to rule on whether or not the terms for the two classes of equity are comparable. Even though Sir James will have doubled his money on his Beaverbrook holding in the space of only a few months, that will be no recompense if he loses the battle and the signs last night were that he would be moving heaven and high water if the panel decision goes against him.

Whatever happens, the Beaverbrook affair will, as I said yesterday, lead to renewed efforts to banish such clumsy and undemocratic capital structures.

So the Associated Newspapers is concerned, the Trafalgar initiative must be a serious blow as it means that the *Evening News* will have to continue its costly circulation battle with the *Evening Standard*—and that is a cash hemorrhage its North Sea luck cannot support indefinitely.

Renold

### Awaiting capital spending recovery

Engineering shares have been outperforming the market for most of this year alongside plenty of evidence to suggest that the sector which investors are going to follow for the next year or so. The point is simple enough.

The economy is now geared to getting an improvement from the manufacturing sector with the Government actively trying to stimulate capital investment, though as yet without great success. More specifically, Philips & Drew in a recent analysis saw engineering projects as good for this year and next: volume growth should be at a faster rate than that of the economy generally, and profits margins should widen.

On this analysis engineering profits, having underperformed the average last year (with growth of 32 per cent against 40 per cent) should increase by 23 per cent and 27 per cent in the next two years against 22 per cent and 18 per cent expectations for all companies.

Yesterday's results from Renold, as good as a harbinger of the mood in the sector as any since its power transmission and materials handling products are directly linked to capital spending, support this view. Having produced a first half profit of £1.76m, Renold came back strongly towards the end of the year, the outcome being profits up by almost a quarter to £1.76m. True, this includes currency profits of £1.76m, against only £0.5m last time and probably nothing in the current year, but it also includes a solid performance in the United Kingdom where profits are 22 per cent ahead of £1.6m.

The background here though is not so much demand—this remains patchy and Renold admits that in several areas it continues to operate below capacity—but in rationalization measures which have taken place within the British engineering. Overseas, Renold has met severe competition from the end of the year, however, profits, down from £6.8m to £5.5m, appear to have withstood that onslaught remarkably well.

There are now two views of this year. At this stage the company's is a cautious one, though Renold is traditionally conservative on profits. Nevertheless, it has yet to see much benefit from efforts to stimulate spending in the United Kingdom and is naturally concerned about the effect sluggish growth in other western economies is having on demand.

The outcome, says Renold, is that while there

are many favourable signs for the longer-term, profits growth this in the immediate term is unlikely to compensate for the expected loss of windfall currency profits. Rather more optimistically Simon & Coates in a timely analysis of Renold suggests that profits this year could be £18m, though even allowing for the currency factor this analysis undercuts on its forecast for 1976/77.

Renold, says Simon & Coates, is a highly operationally geared company well placed to benefit from the expected capital spending upturn, and one which at 147p carries a decent 83 per cent yield and sells at around 7 times earnings on an £18m profit assumption this year.

Insurers

### Against the inflation rate

"If there is a general inflationary trend insurance companies' results tend to be poor on the way up and better on the way down." Thus, the retiring chairman of the British Insurance Association, Mr Bill Harris.

According to the latest OECD figures on inflation that trend is now in the right direction and, on the back of improving worldwide results last year with premium income continuing to rise by between 30 and 40 per cent, which is well ahead of price increases—profits will continue to improve.

How long that will be the case, will depend not only on the rate of inflation but also on the time it takes for competitive rate cutting to reemerge, and the whims of the courts in their growing tendency to settle claims covered by insurance companies at ever higher sums.

However, the problem investors face is not how soon the underwriting cycle will turn so much as how soon the companies



Mr Geoffrey Haslam, chief general manager of Prudential Assurance, who succeeds Mr Bill Harris as chairman of the British Insurance Association.

will be returning to the market for more capital.

The average industry solvency margin was 46 per cent last year compared with 72 per cent in 1972 and the growth in premium income is likely to keep running ahead of rises in shareholders' funds bringing the companies back to the market on the industry's own estimates within three to five years.

Greater selectivity, though, by the big operators in the North American market like Commercial Union and Royal, will tend to broaden margins and reduce the need for new capital, and the prospect may be far enough away and the more immediate returns good enough, for investors to concentrate on the shorter-term.

Improvements on motor insurance worldwide last year contributed largely to improvements in the general underwriting position of BIA members last year. The loss was reduced from the 1975 figures of 4.2 per cent of premiums to 2.7 per cent, but within that motor improved from a 9.8 per cent loss to 2.2 per cent, while fire and accident deteriorated partially due to the heavy subsidence claims in the United Kingdom.

All companies have been taking steps to cover themselves from future subsidence claims while motor in the United States should continue to improve, benefiting General Accident particularly.

But the real question mark is whether inflation will continue to fall and the uncertainties are still expressed in the stock market rating of the composites with a yield nearly a point better than the market average.

Late this afternoon, wind and tide permitting, workers at Austin & Pickersgill's Worsley shipyard will give voice to three lusty cheers as the cargo ship, *Capetan Markos*, glides down the ways into the murky waters of the River Wear.

The *Capetan Markos* is an SD 14, the most successful standard design cargo ship built anywhere in the world, and A&P has outdone its competitors handsomely. She will be the 33rd to go down the company's slipways, but more than 100 have also been built under licence abroad since the design was first introduced as a replacement for the wartime Liberty ships.

The launch will have a particular significance for it will mark the end of one era and the birth of a new one as the fiercely independent and profitable A&P joins 100 shipbuilding, repairing and marine engine building companies and their assorted subsidiaries in the British Shipbuilders, the new state corporation.

It has been a long and difficult birth. It is nearly three years since Mr Wedgwood Benn, then Secretary of State for Industry introduced his consultative paper for the nationalization of the industry. The enabling legislation was the subject of unprecedented parliamentary procedural difficulties, and after a series of votes and wafer-thin government victories.

Delays to the BSI led to the departure of most of the key members of the original team which the Government assembled to run the fledgling state corporation last winter. Much valuable time has been lost and the transition from an industry consisting of both private and state-owned companies to full-blown state ownership comes at a time when shipbuilding internationally is faced with the gravest crisis in its history.

At the same time, the industry has been hit by a severe downturn in demand. Despite cutbacks already in train, the world shipbuilding industry will have an annual production capacity of some 30 million tons gross against an expected level of demand of between 12 million and 13 million tons gross annually over the next five years.

Attempts to resolve this imbalance through a more equitable share of orders between Japanese and European yards have so far proved abortive. As the established shipbuilding nations grapple with the crisis, developing nations are pressing ahead with expansion, programmes which can only exacerbate the overcapacity. It is a daunting prospect.

Governments are under increasing pressure to provide succour to their troubled shipyards. Because of the social and political difficulties that would arise from allowing market forces to operate governments, almost without exception, are delving into their respective exchequers to provide financial lifelines.

Britain is no exception. Subsidies have been an integral part of shipbuilding policies for many years. In order to assist the industry in coping with the present crisis, £65m has been provided in the shape of the shipbuilding intervention fund, designed to enable United Kingdom yards to narrow the gap between their prices and those of competing markets.

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Peter Hill

## British Shipbuilders afloat at last

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Anderson, joined the  
firm (Mississippi).  
Health has recovered.  
R. Pratt Jones the  
Bridge Engineering  
C. W. Jones  
an executive of  
Continental  
he  
Executive.  
Director of  
Chambers  
General  
General

In the past ten years Hanson Trust's earnings per share have grown by 1400%. And although we don't



Middle East Appointments

# General Manager

Middle East  
£20,000 p.a. tax free

An American Contracting Company, serving the Oil Industry for over 35 years, has an immediate vacancy for a GENERAL MANAGER for its ARABIAN GULF COMPANY, on the following General Terms and Conditions:—

- ★ Initial Contract to be mutually agreed, but long term employment is envisaged.
- ★ All-in Salary and Allowances, free of Local Income Tax, approx., U.S. Dollars 35,000 per annum.
- ★ Free Life Assurance and Medicare.
- ★ Company Car.
- ★ Reasonable Re-location Expenses.
- ★ 4 Weeks Annual Leave with Economy Return Air Ticket.
- ★ Annual Ex-Gratia Bonus.

Applicants should be between 35-40 years of age, with appropriate professional/academic qualifications (graduate mechanical engineering preferred), with at least 5 years' contracting experience, in a senior capacity, of oil industry construction contracts in the Middle East. Fluency in spoken Arabic not necessary but would be a distinct advantage.

Only applicants meeting these MINIMUM QUALIFICATIONS should apply in writing, enclosing a recent photograph, curriculum vitae and business, and/or home telephone number, to:—

D. A. POLKINHORNE, VICE PRESIDENT PRICE SERVICES INC., 42 DINGWALL RD., CROYDON CR0 2NE, SURREY.

# Resident Sales Engineer - Dubai

International manufacturer of air conditioning products requires Resident Sales Engineer for marketing operations in Middle East.

Successful applicant will be responsible to Resident Manager Middle East and work closely with building services contractors and consultants.

Located in Dubai and travelling extensively in Middle East territories, the appointment will be backed by the company's extensive U.K. and European coverage of all leading companies in the air conditioning field.

Right person, 25-40, without children, will have wide knowledge of Middle East market and engineering background in air conditioning equipment.

Minimum salary around £8,000 with free accommodation and usual benefits and allowances.

Apply with full career details to:

Mr J. E. Jordan,  
Trox Brothers Limited,  
Caxton Way, Thetford,  
Norfolk IP24 3SQ.  
Tel. Thetford 4545.

TROX

Every Friday  
£6,000 plus  
Appointments  
For details or to book your  
advertisement, ring  
01-278 9161

Other appointments appear  
on page 32

£6,000 plus appointments

# Chief Executive

The Commission for Racial Equality invites applications for the post of Chief Executive to be based in its headquarters office in London.

The main functions of the Commission, which has been set up under the Race Relations Act 1976, include working towards the elimination of racial discrimination and promoting equality of opportunity and good relations between persons of different racial groups. It has a complement of over 200 and operates in three divisions, each headed by a Director. The Chief Executive is leader of the Management team, will be responsible to the Chairman for all aspects of the work of the staff of the Commission and will advise and assist the Commission in the development and execution of its policy.

Candidates must be of proven administrative ability; knowledge and experience of race relations are also desirable.

Salary: £12,000 p.a. plus supplement of £4 per week. London weighting of £465 per annum is also payable. Conditions of service, including a non-contributory pension scheme, will be analogous to those of the Civil Service.

Applications, accompanied by personal particulars, details of qualifications and work experience, and the names and addresses of two referees, should reach The Secretary, Commission for Racial Equality, 15-18 Bedford Street, London WC2E 9HX, marked 'Chief Executive—Confidential' not later than 18 July, 1977.

# COMMISSION FOR RACIAL EQUALITY

# Koch Shipping Inc.

**Chartering Manager**

Applicants (male or female) should possess wide experience gained in a ship-owning organization preferably with a mixed fleet. Age preferred between 30 and 40 years.

Benefits include pension scheme and use of a company car. Competitive salary commensurate with age and experience.

Applicants in writing, indicating personal details, qualifications, shipping and business experience, to Mr. J. E. King.

Koch Shipping Inc., Brook House,  
113 Park Lane, London W1Y 3AJ.

**HEAD OF PUBLICITY AND PUBLIC RELATIONS DEPARTMENT**

Applications are invited for the post of Head of the Publicity and Public Relations Department of the National Union of Teachers. Salary: £5,500-£7,500 plus Supplement £201 and London Allowance £201.

The Department is a very active one with a wide range of activities and assists with internal communications as well as external press and public relations.

Applicants should possess a good working knowledge of the education system and the Union's activities and policies, and be able to produce creative ideas in publicity and communications. Previous journalistic or public relations experience highly desirable.

The successful applicant will be required to commence duties on 1st September, 1977 or as soon as possible thereafter.

Typewritten applications giving experience and qualifications together with names of two referees (who should not be serving members of the Union's Executive) should reach the General Secretary, National Union of Teachers, Hampton House, Wandsworth Place, London, W8 4SD not later than 1st July, 1977.

**LAND MINE DISPOSAL EXPERT**

urgently required  
for special project overseas  
by Oil related company

Write in confidence to  
Box 1507 J, The Times

**MIAMI-FLORIDA SALES EXECUTIVE**

Young but experienced, who is prepared to travel extensively, is required for sales operation in U.S.A.

Based at  
CORAL GABLES, nr. MIAMI, FLORIDA,  
the territory includes the greater part of the United States of America. PRODUCTS ARE ARGENTINE CORNED BEEF, ARGENTINE FROZEN COOKED BEEF AND OTHER CANNED PRODUCTS including FRUIT AND VEGETABLES.

Experience in the marketing of Canned Goods, Cooked Meats and other canned commodities essential. The applicant should also be capable of managing a small office and staff, and of undertaking costings, import arrangements and shipping details. Experience in dealing with brokers and selling agents in U.S.A. would be advantageous but not essential.

Car provided. Health insurance cover and assistance with relocation expenses arranged. Salary by negotiation.

Applications in the first instance indicating salary required together with full c.v. including salary progression to:

**CORPORATION OF ARGENTINE MEAT PRODUCERS (CAP) LTD.**  
CAP House,  
9-12 LONG LANE, LONDON EC1A 9HD

**DIRECTOR-GENERAL**  
required for  
**THE NATIONAL SUPERVISORY COUNCIL FOR INTRUDER ALARMS**

Due to the impending retirement of the present Director-General in November, 1977, the Council wishes to appoint a successor to the above post based at Maidenhead, Berkshire. The Council is the National Inspectorate for the Intruder Alarm Industry in Great Britain, and candidates should have a professional service or business background. Technical experience would be an advantage.

The successful applicant should be able to maintain good relations with bodies whose co-operation and support are essential to the Council's function, including government departments, the police and the insurance industry.

Remuneration is negotiable, at around £7,500 together with motor car, pension and life insurance scheme.

Please write or telephone for an application form in the first instance to:—

**THE SECRETARY,  
THE NATIONAL SUPERVISORY COUNCIL FOR INTRUDER ALARMS,  
ST. IVES HOUSE, ST. IVES ROAD, MAIDENHEAD SL4 1RD**  
TELEPHONE: 0628 37512

# Shipbuilding Industry Training Board SECRETARY TO THE BOARD

to succeed Mr. David O. Savill, who has been appointed to succeed Dr. Allan Macdonald, OBE as Chief Executive on his retirement at the end of September 1977.

THE BOARD services some thousand firms in the U.K. employing about one hundred thousand persons engaged in ship and boat building, repair and associated activities.

THE SECRETARY TO THE BOARD directs and co-ordinates the operations of the secretariat function of the Board's Head Office at South Harrow which, together with the training and finance functions, is an integral part of the Board's organisation under the control of the Chief Executive.

THE NEED is for a graduate or professionally qualified individual who has considerable experience of a wide range of administrative duties at senior level. An extensive knowledge of secretarial services and modern personnel practices is essential. Experience within the shipbuilding industry and/or of the work of an industrial training board will be an advantage.

AGE 40 to 50. Commencing salary, which is negotiable, will not be less than £6,422 per annum with attractive pension and life cover and a car.

Write for Application Form to The Secretary to the Board, Shipbuilding Industry Training Board, Rachen House, Northolt Road, South Harrow, Middlesex HA2 0DR, to be completed and returned not later than July 15 1977. All applications will be treated in complete confidence.

# Assistant Company Secretary

**CITY Salary c.£7000**

Glanvill Enthoven & Company Limited, the major international Lloyd's Insurance Brokers and members of the Charterhouse Group, are seeking to appoint an Assistant Company Secretary.

The successful applicant, male or female, will be appointed secretary of one or more subsidiary companies, as well as being responsible for a wide range of other duties.

Candidates should be aged 30 or over and, in addition to secretarial experience, have a secretarial, legal or accountancy qualification.

Please telephone or write for a confidential personal history form to:  
J.A. Cannon, Director of Personnel, Glanvill Enthoven & Co. Limited, 144 Leadenhall Street, London EC3P 3BA. Tel: 01-283 4622.

Glanvill Enthoven & Co. Limited

**FINANCIAL CONTROLLER**

required by a medium sized Property Development and Building Company based at Hampton Court. Applicants must have previous experience in the Property development field and be capable of working on their own initiative in directing the company's accounting functions. This position is ideally suited to a young person seeking scope for advancement within an expanding organisation. An excellent salary commensurate with experience and a company car will be provided with 4 weeks holiday and usual fringe benefits.

Applications in writing to: The Company Secretary, Weir House, Hurst Road, East Molesey, Surrey.

# SOCIALIST PEOPLE'S LIBYAN ARAB JAMAHIRIYA

STAFF FOR THE FOLLOWING POSITIONS ARE URGENTLY REQUIRED TO WORK IN THE LIBYAN ARAB REPUBLIC:

| Position  | Academic Qualifications   | Experience   |
|---|---|--|
| Weather Observation Experts   | M.Sc. or D.Sc. with specialisation in Agriculture weather observations                | 15 years   |
| Specialist in Agriculture weather observations  | B.Sc. or Diploma in Agriculture weather observations                                  | 5 years  |
| Specialist in Solar Rays  | B.Sc. or Diploma related to Solar energy  | 10 years   |
| Climatologists  | B.Sc. (Science) or Diploma in weather observations                                    | 10 years   |
| Assistant Climatologists  | B.Sc. (Science) or Diploma in weather observations or 'A' Levels in relevant subjects | 5-10 years   |
| Collectors of weather information   | * A Level (Science subjects) + practical experience in climatology                    | 5 years  |
| Senior Weather Forecasters  | B.Sc. or Diploma in Climatology   | 10 years   |
| Weather Forecasters   | B.Sc. or Diploma in Climatology   | 5 years  |
| Maintenance Engineers for facsimile electronic equipment and for satellite picture receiving equipment and wireless receiving equipment     | B.Sc. in Electronic Engineering and Wireless  | 5 years  |
| Engineers for operating and maintaining receiving equipment of all kinds  | B.Sc. Communication Engineering   | 5 years  |
| Maintenance Technicians for transmitting and receiving equipment  | Technical Intermediary Certificate  | 10 years   |
| Technicians for transmitting and receiving telegrams on telegraphic equipment   | Technical Intermediary Certificate  | 10 years   |
| Technicians for maintenance of electronic equipment and wireless receiving equipment  | Technical Intermediary Certificate  | 10 years   |
| Engineers for operating and maintaining all kinds of receiving equipment  | B.Sc. Communication Engineering   | 5 years  |
| Technicians for operating and maintaining receiving equipment   | Technical Intermediary Certificate  | 10 years   |
| Maintenance Technicians for facsimile electronic equipment; for satellite picture receiving equipment, and for wireless receiving equipment | Technical Diploma or Intermediate certificate in the required specialisation          | 10 years   |
| Maintenance Technicians for Siemens T (100) machines  | Intermediate Technical Diploma  | 10 years   |
| Engineers and Technicians for operating and maintaining all transmitting equipment  | B.Sc. in telecommunication engineering, or Intermediate Technical Diploma             | 5 years for engineers and 10 years for technicians |

Salaries are paid according to experience. Attractive working conditions are offered including free accommodation and full medical services in Government hospitals.

Please apply in writing, giving full qualifications and curriculum vitae to:  
THE CULTURAL OFFICE  
Embassy of the Socialist People's Libyan Arab Jamahiriya  
58 Princes Gate, London, S.W.7

# Chief Medical Officer £12,200

The Chief Medical Officer is responsible for all medical advice to the Welsh Office, and heads the group of health professionals, (including medical, nursing, pharmaceutical, dental and scientific officers) which has oversight of the relevant aspects of the National Health Service in Wales. The responsibilities include the strategic medical planning of the health services in Wales including the provision of health services in the medium and long-term, and the co-ordination of advice on medical matters generally (including eg educational and environmental aspects) provided to the Welsh Office and to the Health Service in Wales.

Candidates, preferably aged under 55, must be fully registered as medical practitioners in the United Kingdom and have good post-qualification experience, preferably in medical administration or epidemiology. Higher medical qualifications would be an advantage.

The post is at Senior Principal Medical Officer level and attracts a salary of £12,200 per annum. The appointment will be full-time, pensionable, and normally permanent, but, if the successful candidate wishes, it might be for an agreed period.

For further information about the post contact Mr J. E. King, Principal Establishment Officer, Welsh Office, Cathays Park, Cardiff; telephone Cardiff (0222) 28066 ext. 307.

For an application form (to be returned by 22 July 1977), write to Civil Service Commission, Alencan Link, Basingstoke, Hants, RG21 1JB, or telephone Basingstoke (0256) 68551 (answering service operates outside office hours). Please quote ref: S95501

WELSH OFFICE  
Y Swyddfa Gymreig

# Secretary

Applications are invited for the post of Secretary of the Surrey County Cricket Club which becomes vacant later this year.

The Secretary has responsibilities, through an Executive Committee and its Chairman, to the General Committee not only for the general administration of the Club but also for staging of Test and International Matches on behalf of the Test and County Cricket Board.

The successful candidate will probably be under the age of 45 and will have had both cricketing and business experience.

Remuneration is negotiable and includes the provision of a car and the availability of a house in Kennington.

Applicants should write, in confidence, to the Chairman by 15th July, 1977, giving career details and at least two referees.

**SURREY COUNTY CRICKET CLUB**  
The Oval, Kennington, London SE11 5SS

# The Samuel Lewis Housing Trust

# GENERAL MANAGER

Applications are invited for the above position which will become vacant in the Autumn.

The General Manager is responsible to the Trustees for the administration of this expanding, old established Trust and the duties include: Management of the Trust's property in London (over 2,000 flats), supervision of a large modernisation and expansion programme in South East England, including work in a Housing Action Area and servicing the various committee meetings. He/she will head a staff of 70.

The successful applicant will probably have a professional background, considerable experience of housing management at a senior level and be between the ages of 35 and 45 years.

Salary for ideal candidate: £9,000 p.a., N/C Pension Scheme, Car Allowance, Four weeks Annual Leave.

Applications including full details of experience and qualifications to: THE CHAIRMAN, SAMUEL LEWIS HOUSING TRUST, C/O MESSRS. M.YTH, DUTTON, BOLLOWAY, 1-10 LINCOLN'S INN FIELDS, LONDON WC2A 3DW

# Chief Executive

The declaration of a 200 mile Canadian fishery zone has opened up exciting new opportunities for development in the Newfoundland fishing industry.

A skilled seasoned senior executive is required to bring into being and direct a new Crown Corporation which will be established to play a leading role in the Province's comprehensive fishery development plan.

The Corporation will be free standing with equity participation by the private sector being encouraged, and will be responsible for procuring additional offshore fish landings for distribution to fish processing plants in Newfoundland.

Catching capacity will be increased through charters, leases, purchases, or new vessel construction, and landings will be increased by direct purchases. Handling, storage and distribution functions also will have to be developed and co-ordinated.

In addition to proven executive and administrative ability, the successful candidate must be imaginative, resourceful and energetic. Familiarity with the fishing industry would be highly desirable.

Location is St. John's, Newfoundland. Remuneration will be attractive and commensurate with the responsibilities of this challenging position.

Reply in confidence giving full personal details to File 9888.

**Woods, Gordon & Co.**  
Management Consultants

P.O. Box 253, Royal Trust Tower, Toronto-Dominion Centre  
Toronto, Ontario M5K 1J7

A member of the Canadian Association of Management Consultants





